

Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

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Vol. 3, No. 30

New York, N. Y., July 25, 1960

\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

WHAT P/W'S SURVEY ON THE STEEL OUTLOOK SHOWS

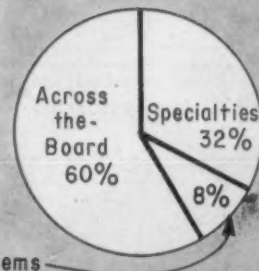
I. P.A.'s will boost buying some:

- 1 out of 3 will order more than now over the next few months.
- September and October will reflect these increases.
- Bigger orders will be prompted by these factors →



II. P.A.'s expect prices to go up:

- About half think higher labor costs will force a hike.
- December or January seem the likely months for boosts.
- Here's where price increases are expected →



Steel: 75% Operating Rate, \$2 to \$4 More?

Air Force Tells Its Contractors To Upgrade Purchasing Techniques

Dayton, O.—The Air Force has just read a riot act to some of its major contractors and subcontractors.

In a letter to more than 50 key space age suppliers, Air Materiel Command in effect charges that contractors are dragging their feet in upgrading purchasing and pricing procedures.

Washington sources said Lt. Gen. S. E. Anderson, commander of the Air Force's huge procurement agency here, complained specifically of "inadequate pricing techniques."

Anderson also urged "more aggressive management" and "greater enforcement of management policies" covering prime contractor supervision of subcontractor estimates and submission of prime contractor cost figures to Air Force procurement officers.

Anderson had at least one key (Turn to page 36, column 1)

Nylon Fabricator Prices Reflect Wholesale Cuts

New York—Nylon products fabricators have slashed prices on tubing, rod, strip, and plate to reflect lower material costs.

The price reductions, ranging from 5% to 15%, came as a result of recent cuts in Nylon 6 molding resin prices, which leading producers lowered from \$1.18/lb. to \$1.04, with an ad- (Turn to page 37, column 3)

Remington Rand Expands Leasing Plan to Include General Office Machines

New York—Remington Rand joined the leasing trend last week in announcing its first full-scale leasing plan for general office equipment.

The new plan, which applies to typewriters, adding machines, and office systems, will supplement the company's existing policy of leasing computers and tabulating systems.

Leasing has been picking up steam in the office equipment industry for some time although all manufacturers have not demonstrated overwhelming enthusiasm on behalf of the concept (see PW, Feb. 8, '60, p. 1).

Remington Rand actually has (Turn to page 4, column 3)

Rails Recess Rate Talks

Chicago—The nation's railroad traffic executives assembled here last week to talk freight rates but failed to agree on a solution for combating the effects of recent wage increases.

Officials of 100 railroads recessed the discussion until mid-August after the group found itself unable to agree on proposals by Eastern lines for selective hikes on such commodities as coal and pulpwood.

Protectionists Fire Big Guns in Fight Against Tariff Cuts

Washington—U. S. manufacturers of products facing strong foreign import competition are waging a loud-and-long battle with importers and various consumer groups at a marathon series of public hearings before the Tariff Commission.

The contestants, who began sparring two weeks ago, will be banging away at each other for virtually the rest of the summer in debate over proposals to lower tariffs on import product categories involving some 2,500 items.

The Administration, which (Turn to page 37, column 1)

Majority of P.A.'s Think Steelmakers Will Try For Year-End Price Hike if Traffic Will Bear It

(A Special PW Report)

New York—Steel users and producers see steel buying poised for a definite upswing—but not until late in the third quarter.

And most of the men who will be doing the ordering are fearful that prices are just waiting for a buying surge before beginning a hand-in-hand upward move. That's the meat of the information

Railroads Score Again With Piggyback Rates

Washington—Railroads' Piggyback Plan IV—where shippers furnish both shipping container and flatcars to haul them—has won another vote of approval from the Interstate Commerce Commission.

A hearing examiner refused last week to reverse the ICC's earlier sanction of the novel plan after conducting an extensive study on the issue at the request of protesting truckers. The Baltimore & Ohio inaugurated use of Plan IV last year, and it now is (Turn to page 36, column 1)

gleaned from a new PW survey of the big steel consumers and warehouses.

Buyers see a gradual upturn in buying beginning in about a month or six weeks. But the survey indicates that despite optimistic forecasts in some quarters now, the buying won't push production much above the 75% mark in the fourth quarter, and total output for the year will have trouble reaching the 115-million tons that steelmen had hoped for after a downward revision of their earlier forecasts.

The mills aren't talking price at the moment. But unlike warehouses, which have been cutting prices drastically in recent (Turn to page 35, column 1)

—This Week's—

Purchasing Perspective

JULY 25-31

ON TRIAL—In panning procurement and pricing techniques of some of its top contractors and suppliers, the Air Force has zeroed in on the entire upper level of management rather than just purchasing.

In effect, what the Air Force is suggesting in its attempts to get off a Congressional hotseat (see story, column 1) is that top level corporate executives haven't given the necessary time, thought, and authority to their procurement experts.

Innocent contractors who may be stung by the Air Force criticism of pricing and contracting ineptness may well reply that many AF procurement cost woes are the result of its own buying naivete and procurement red tape.

But the fact remains that the Air Force in effect is giving purchasing a boost by insisting its industrial practitioners learn more about contract administration, auditing, make-or-buy policies, cost estimates, and pricing.

Dealing with the government however, is no easy job. That's why seminars on government procurement procedures are playing to packed houses throughout the country.

(Turn to page 35, column 3)

P/W PANORAMA

• **The P.A. Is Coming Into His Own.** A new job survey by the government shows that in the jungle warfare of modern-day business, top management is beginning more and more to realize the real value of a good P.A. (story on page 3).

• **Show Top Management** how your department can earn more profits for the company. The way to do it is by spending money to save. PW Consultant F. Albert Hayes proves this theory—and shows you how to do it (pages 30 and 31).

• **Inflation Appears to Be Easing**, but in some service areas the future still looks uncertain. The story on page 8 looks into the pressures that have been making for inflation and the steadying influences that have been checking it.

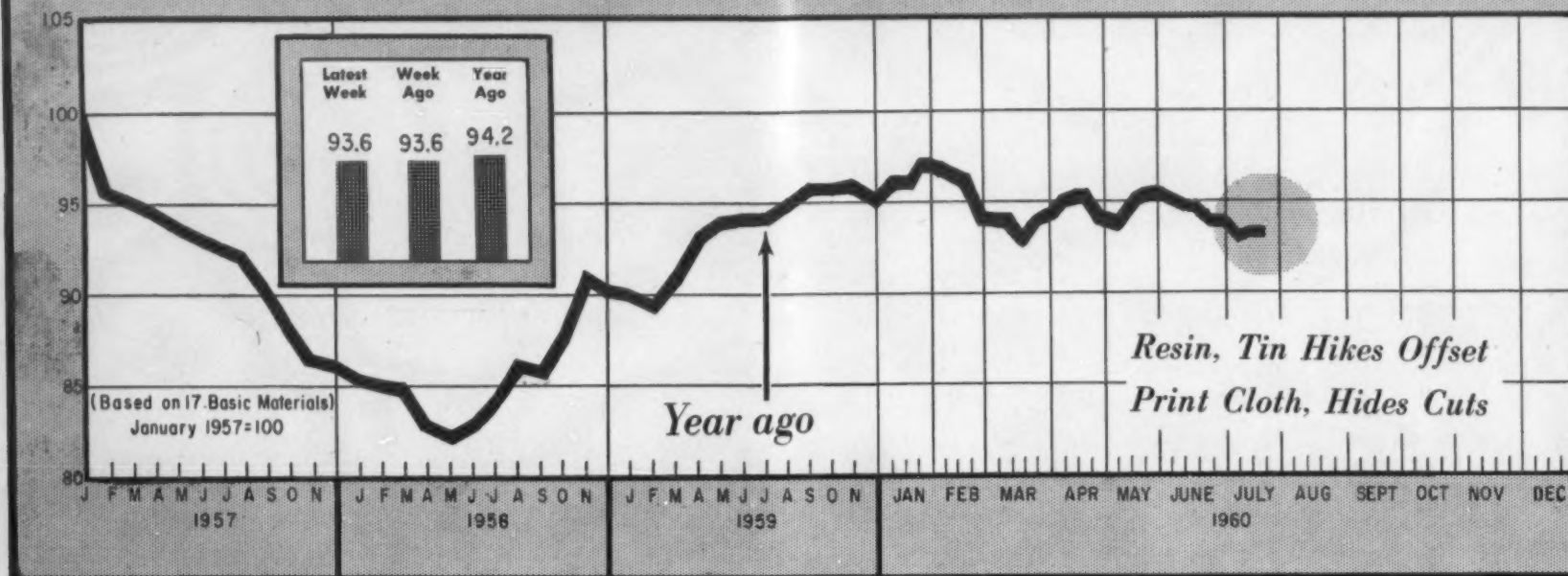
• **A New Inventory Tag System** devised by ITT is saving the company time and money and proving to be far more accurate than the old. Under the system, ITT makes one inventory tag do the work of three. See story on pages 12-13.



HENNEY KILOWATT: New electric car has 30 mph speed, 40-mile range, \$3,600 price. Batteries recharge from 115-volt socket.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	July 20	July 13	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	30.00	30.00	40.00	-25.0
Steel scrap, #1 heavy, del. Cleve., gross ton.....	30.00	30.00	38.00	-21.1
Steel scrap, #1 heavy, del. Chicago, gross ton.....	30.00	30.00	36.00	-16.7
Aluminum, pig, lb.....	.26	.26	.247	+ 5.3
Secondary aluminum, #380 lb.....	.24	.24	.239	+ .4
Copper, electrolytic, wire bars, refinery, lb.....	.326	.326	.296	+10.1
Copper scrap, #2, smelters price, lb.....	.255	.25	.238	+ 7.1
Lead, common, N.Y., lb.....	.12	.12	.12	0
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.03	1.028	1.023	+ .7
Zinc, Prime West, East St. Louis, lb.....	.13	.13	.11	+18.2
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.30	2.20	2.00	+15.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.47	2.37	+10.5
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla., tank cars, gal.....	.035	.035	.04	-12.4
Gasoline, 91 oct. reg., Chicago, tank car, gal.....	.125	.12	.115	+ 8.7
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.107	.107	.12	-10.8
Kerosene, Gulf, Cargoes, gal.....	.09	.09	.081	+11.1
Heating oil #2, Chicago, bulk, gal.....	.09	.09	.091	- 1.1
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton.....	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.31	+ 9.7
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.153	.151	.193	-20.7
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+ 5.3
Linseed oil, raw, in drums, carlots, lb.....	.163	.168	.16	+ 1.9
Phthalic anhydride, tanks, lb.....	.185	.185	.165	+12.9
Polyethylene resin, high pressure molding, carlots, lb.....	.325	.325	.35	- 7.9
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	15.10	14.60	9.85	+53.3
Shellac, T.N., N.Y. lb.....	.31	.31	.30	+ 3.3
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.059	.058	.067	-11.9
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.20	+ 3.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	95.00	+ 5.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.00	+ 5.6
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.30	0
Old corrugated boxes, dealers, Chicago, ton.....	18.00	18.00	21.00	-14.3
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.18	0
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	122.00	122.00	129.00	- 5.4
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	136.00	136.00	144.00	- 5.6
*Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	88.00	88.00	98.00	-10.2
Fir plywood, 1/4" AD, 4x8, dealer crld, fob mill, msf.....	64.00	64.00	78.00	-17.9
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.115	.112	.10	+15.0
Cotton middling, 1", N.Y., lb.....	.34	.342	.344	- 1.2
Printcloth, 39", 80x80, N.Y., spot, yd.....	.202	.21	.195	+ 3.6
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.225	.23	.26	-13.5
Wool tops, N.Y., lb.....	1.445	1.435	1.685	-14.2
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.18	.185	.29	-37.9
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.415	.418	.355	+16.9

† Source: Petroleum Week ‡ Source: Engineering News-Record
* Spruce, Toronto, replaces fir, Toronto, starting this week.

This Week's

Price Perspective

JULY 25-31

GROWING SUPPLY OF LABOR has plus and minus effects on the economy.

On the plus side—there's the effect on wages and the general price level. With the supply of workers exceeding the demand for workers, unions have been toning down demands of late. (The current 7¢ to 9¢ per hour wage pattern, for example, is well below the postwar average.)

The relationship between labor supply (as measured by the unemployment rate) and wage gains can clearly be seen in the table below:

	Unemployment Rate	% Increase in Wage Rates
1953	2.9	6.0
1956	4.2	5.3
1958	6.8	2.9
1959	5.5	4.2
1960	5.5	3.2

In 1953 and 1956 when the unemployment rate was relatively low, manufacturing wage rates went up 6.0% and 5.3% respectively.

In 1958-59-60 when unemployment rates have been high, annual wage gains have averaged under 3 1/2%.

It's no coincidence that inflation has been stopped dead in its tracks during the latter (1958-60) period.

BUT THERE ARE NEGATIVE SIDE-EFFECTS to this labor glut—repercussions that can hurt business activity over the long pull.

Current 5.5% unemployment figure touches upon the fortunes of more than just those who are out of work.

For one thing, it means big purchasing power deficits in many areas of the economy—deficits that can affect demand for many products.

But more important, it has a reverberating psychological effect on over-all consumption. If your neighbor is out of work, you tend to think twice before buying that new car or refrigerator.

It could be one reason why the super-boom, predicted earlier this year, has failed to materialize.

WHAT'S BEHIND THIS NEW TREND toward higher unemployment rates?

Actually, it can be traced to a combination of factors.

• **Accelerated Labor Force Growth**—Maturing bumper post-war baby crop means labor force is now growing at twice last decade's rate. During the next few years, experts see labor supply growing 1% to 2% a year.

• **Automation**—Increase in manufacturing productivity—now about 3% to 4% a year—means less workers can turn out the same quantity of goods.

• **Low Growth Rate**—Production—which has only been growing at 3 3/4% a year—isn't enough to offset combined effect of annual 3% to 4% productivity boost, and a 1% to 2% labor force increase.

SUGGESTED SOLUTIONS to this ticklish problem:

• **Management's viewpoint**—Industry leaders see a need for new products and new industries. A speedup here could provide new jobs and give demand and production a needed shot in the arm.

• **Labor's viewpoint**—Labor—pointing to current high unemployment rate—says this "new product" approach hasn't proved adequate. Thus, unions are pressing for:

• **A shorter work week**—Without any loss in take home pay.

• **Increased public works**—Greater emphasis on highways, schools, and hospitals, they say, automatically would accelerate the national growth rate.

Study Shows P.A. Gaining Recognition for Increasingly Vital Job

Brings Out Importance Of Purchasing Function

Washington, DC.—The increasing importance of the purchasing function in U.S. industry is sharply underscored by a new government study of job opportunities.

The study, published in the Department of Labor's *Occupational Outlook Quarterly*, indicates that P.A.'s can look forward to a rapid buildup in job status as increased competition among business firms for new products and services places an overriding emphasis on the men who do the buying. The study also reported these findings:

- Present estimates are that there are nearly 100,000 P.A.'s in the U.S., excluding department store buyers—with half the total employed in manufacturing industries. The rest work in government agencies, wholesale and retail trade, public utilities, educational institutions, and hospitals.

- Most P.A.'s work in firms with purchasing staffs of less than 10 employees. However, some large firms have purchasing departments staffed by more than a hundred specialized buyers.

- Judgment is the most important factor in the P.A.'s success, the survey noted. In selecting a supplier, the P.A. must weigh such things as: item specifications, delivery time, price, quantity discounts, and transportation costs. He must compare catalog and trade journal listings, and examine the goods and equipment salesmen bring him.

Another prime requisite for the successful P.A. is skill in human relations, the study added. If he is on good terms with his supplier he can get rush deliveries, favorable terms of payment, and special consideration on packaging, service, and other problems. He also has to develop good working relations in his own firm with company engineers and personnel in the various departments that handle his incoming shipments.

Opportunities Rise

Job opportunities for P.A.'s and their assistants will continue to rise in the years ahead, the study said, because of the expected expansion of such purchasing functions as inventory control—with its increased use of electronic data processing equipment—and scientific materials management. Other factors:

- The continuing increase in the size of manufacturing and business firms.

- More and more new products and new sources of supply—with special mention for foreign sources.

- Increasing complexity of business organization resulting in the growth of specialization in business functions.

The study also commented on such important areas of the purchasing function as earnings, duties, qualifications and training. Here are some of its findings:

College graduates are picking off the better purchasing jobs, the study points out. Although many firms still continue to promote promising personnel (less than 10%) already employed in

other departments, the trend is definitely toward advancing the P.A. with the superior educational background. A few employers require graduate training in business administration. Others are now stressing engineering and scientific training because of the complexity and variety of the equipment P.A.'s have to deal with today.

New areas of opportunity are opening up for the ambitious P.A., the study noted, with a tendency (among the larger com-

panies) toward elevating the chief purchaser to the highest management level. In some companies, the office of the vice president in charge of purchasing has also been enlarged to include such functions as warehousing, traffic, and related activities.

P.A. salaries, the study shows, vary according to the size of the company, the special skills required, and—to some extent—the kind of business the firm is engaged in.

These differences should be

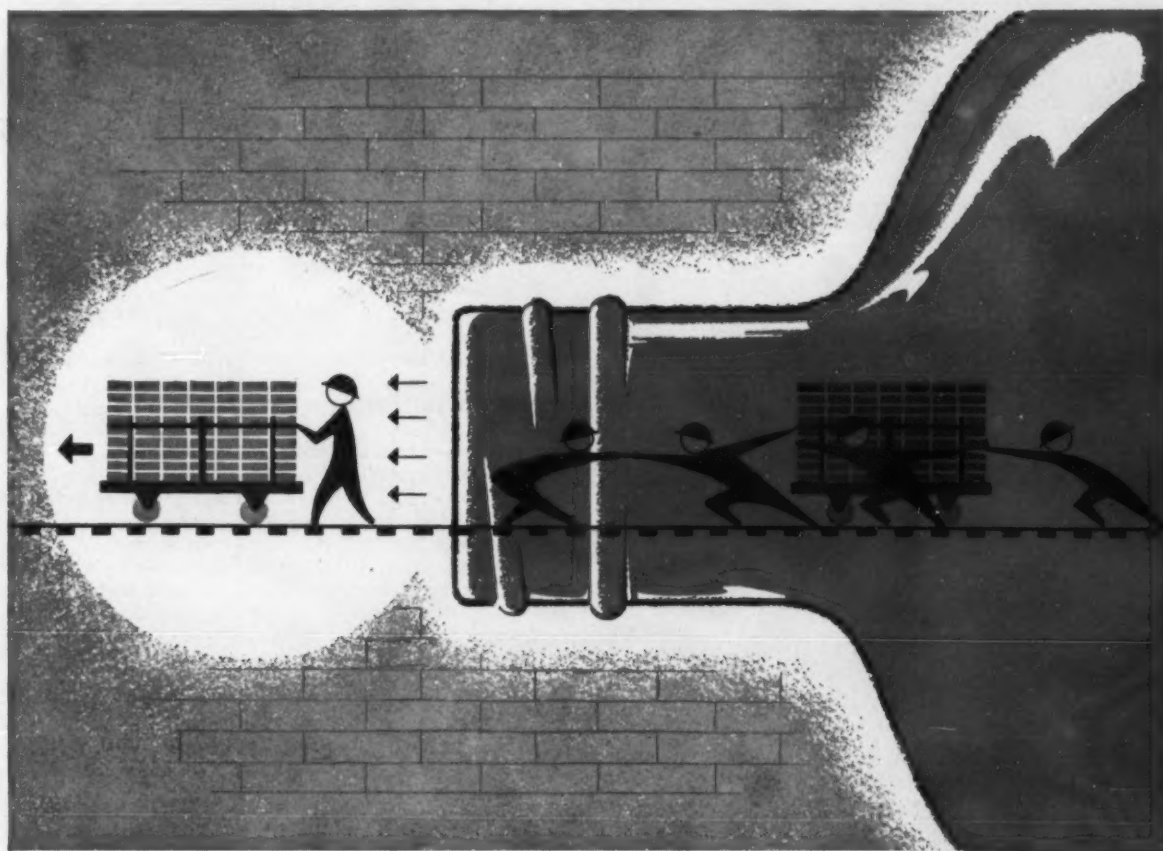
kept in mind when gaging the following general salary statistics:

- **Beginning salaries.** College graduates, starting as purchasing trainees with large firms, get \$5,000 on the average. Federal Government starting salaries are \$4,040 or \$4,980, depending on the beginner's college background.

- **Experienced P.A.'s.** According to a private survey, the median salary for full-fledged P.A.'s, in companies whose annual purchases run under \$3-million, was

\$8,400 in 1959. With firms purchasing more than \$30-million worth of goods, the median P.A. salary was \$15,300. Top purchasing executives made as much as \$25,000 and more.

The study gives the classic definition of the purchasing function—that is, to buy "needed items at the lowest cost consistent with good quality and reliable service—so that men and machines will not be idle and their companies will be able to operate efficiently."



New "hot" grease ends brick-oven bottlenecks ...and one man outperforms four!

Ceramic Combustion & Engineering Company, consultants for the Davidson Brick Co., Los Angeles, California, ran into production bottlenecks while using ordinary grease in dryer-car bearings. Oven temperatures (350° to 400° F.) cooked the grease solid... stalled the cars loaded with bricks in the dryer. Bearings seized so badly that four men were needed to move each carload.

Now—with Shell Darina Grease 2 as the lubricant, Davidson reports: "Bearings roll free, even at 400° F., one man, instead of the four previously required, can easily roll a carload of bricks... no more bottlenecks caused by frozen bearings."

Darina® Grease 2 is an economical, multi-purpose grease with exceptional stability in high-temperature applications. It offers these outstanding qualities:

HIGH-TEMPERATURE PERFORMANCE. 100° F. better than conventional multi-purpose greases.

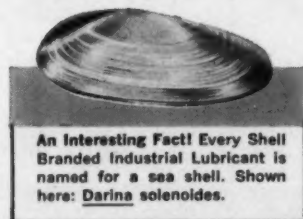
EFFICIENT SEALING. Contains no soap—nothing to melt and run out.

HIGH RESISTANCE TO WATER WASH-OUT. Doesn't dissolve or separate when mixed with water... lubricates efficiently under wet conditions.

POSITIVE RUST PROTECTION. Protects bearings even under severe moisture conditions.

ECONOMICAL. Savings up to 35% in grease and labor costs alone are possible because of Darina's superior performance over a wide range of plant operating conditions.

For more information on Darina Grease, write: Shell Oil Company, 50 West 50th St., New York 20, N. Y., or 100 Bush St., San Francisco 6, California. In Canada: Shell Oil Company of Canada, Limited, 505 University Avenue, Toronto 2, Ontario.



An Interesting Fact! Every Shell Branded Industrial Lubricant is named for a sea shell. Shown here: *Darina solenoides*.

SHELL DARINA GREASE
the multi-purpose, high-temperature grease



Washington Perspective

JULY 25-31

The Republican and Democratic national conventions rate as tame affairs compared to what will happen when Congress reconvenes.

Fireworks are set to explode when the Republicans and Democrats square off to take up social welfare and business issues.

You need only look at the schedule to see why. At least five of the six key figures in the election campaign probably will be facing each other in the Senate.

On the Democratic side, there will be the party's Presidential nominee, John F. Kennedy; Vice Presidential Nominee Lyndon Johnson; and National Democratic Chairman Henry Jackson. For the Republicans, Vice President Nixon, barring an upset, will be there presiding, and on the floor will be GOP National Chairman Thruston Morton.

Don't look for any cool deliberation on legislation in such a setting.

Democrats hope to push through a package of labor-welfare legislation to aid them in the run for the White House. The Republican strategy will be to charge the Democrats with trying to buy votes and to try to bar any runaway spending programs.

The issues they will be sparring over are clearly marked out:

• **Minimum Wage**—Kennedy favors a \$1.25 an hour floor; the Republicans are backing a \$1.15 minimum.

• **Housing**—The Senate will be considering a \$1.2-billion measure, more modest than the version now in the House of Representatives. As of now, the Senate bill gets the nod.

• **Education**—Both Senate and House have passed a \$1-billion school construction bill. Differences have to be ironed out, and Eisenhower's approval still is in doubt.

• **Medical aid to the elderly**—Both Republican and Democrats have forwarded broad measures to provide medical protection for the aged. Democrats want to finance the program by increasing Social Security taxes on employers and employees; Nixon and Pres. Eisenhower are opposed, favor paying for more modest aid out of general treasury revenues.

• **Prices**—Sen. Joseph S. Clark (D-Pa.) has revived his bill to require public hearings in the case of price increases in major industries.

Looming large in the legislative picture is Pres. Eisenhower. Eisenhower is reported greatly aroused at the prospects of a free-spending Congressional session.

The President is said to be equally concerned about his own party, fearing that GOP politicians may be willing to go along with some big welfare programs to bolster Republican chances.

He'll go before the country shortly after Congress is back to argue that increased spending could threaten to set off another inflationary spiral.

The general business outlook is an issue.

Sen. Kennedy already is forecasting a recession early next year. But as long as the economy holds up for the present, Democrats are most likely to limit themselves to arguing that something should be done for the unemployed.

Latest government statistics are less than encouraging. Industrial production fell off slightly in June, reflecting lower steel production. Corporate profits, although up the first half of the year, were something like \$1.6-billion behind earlier forecasts.

Gross National Product moved up by a little more than a \$3-billion rate in the second quarter to a total of \$505-billion, still a little off the pace predicted earlier by the Administration.

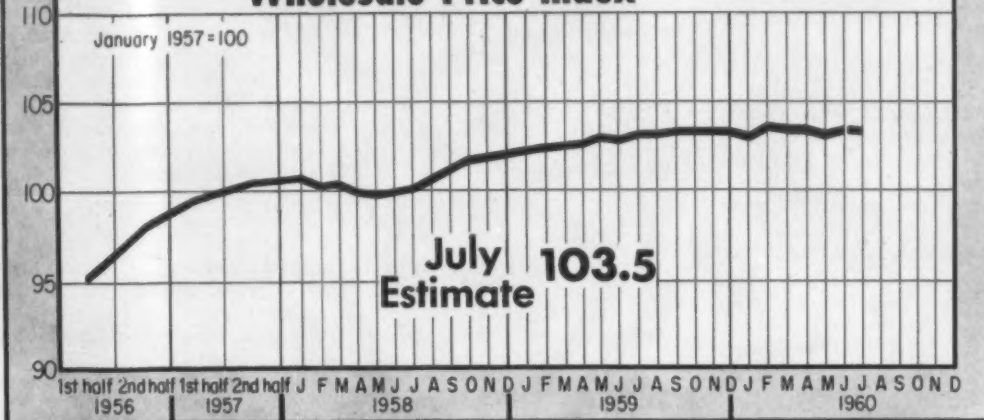
One bright spot: Personal income continues to rise. In June, the annual rate rise was a healthy \$1.1-billion.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot thous tons	1,556	1,476*	365
Autos, units	104,711	89,769*	127,502
Trucks, units	19,529	15,038*	27,111
Crude runs, thous bbl, daily aver	8,257	8,280	7,946
Distillate fuel oil, thous bbl	12,972	13,051	12,201
Residual fuel oil, thous bbl	5,800	6,046	6,563
Gasoline, thous bbl	30,031	30,677	28,419
Petroleum refineries operating rate, %	84.5	84.8	81.9
Container board, tons	134,715	98,685	146,063
Boxboard, tons	74,061	48,840	78,405
Paper operating rate, %	56.6	89.1*	71.5
Lumber, thous of board ft	141,469	237,909	199,101
Bituminous coal, daily aver thous tons	744	1,855*	844
Electric power, million kilowatt hours	14,208	13,031	13,415
Eng const awards, mil \$ Eng News-Rec	519.8	984.5	651.7

* Revised

Purchasing Week's Wholesale Price Index



RIISING PRICES AMONG PETROLEUM PRODUCTS sent Purchasing Week's wholesale price index up to 103.6 for June from May's 103.3. The main impetus came from a 3.7% increase in gasoline tags—a seasonal movement—and a 5.1% rise in resid-

ual fuel oils caused by import restrictions. Most other component prices remained stable. The only significant drop was a sharp 10.2% cut in industrial fitting prices. Index looks steady for July with future gasoline price hikes offset by soft steel tags.

Remington Rand To Lease General Office Equipment

(Continued from page 1)
had an "unofficial" leasing program for office equipment for some time. Top-level officials told PURCHASING WEEK last February that their primary interest was selling machines, rather than leasing them, "but we have to service the customer the way he wants."

Under the plan announced last week by Kenneth R. Herman, president of Remington Rand Div., of Sperry Rand Corp., customers will be able to lease such equipment as calculators, filing and indexing systems, office supplies, and furniture from all Remington salesmen and agents.

Herman said leases will run from 39 months to 65 months and carry standard renewal options. "This new plan has been developed to meet the needs of both the smallest businesses and giant corporations," Herman said. "Management can now introduce cost-saving equipment into its offices without expenditure of working capital."

Remington officials said typical rentals under the new plan, which will be underwritten by Nationwide Leasing Co., of Chicago, would be about \$3/month for each \$100 worth of equipment over 39 months for "Triple A-1" credit accounts. Customers with lower credit ratings will be charged \$3.25 per \$100 worth of equipment.

GE Slashes Price of Two Types of Diodes by 93%

Syracuse, N.Y.—General Electric Co. has cut prices of two types of gallium arsenide tunnel diodes by 93%, bringing current costs below comparable high frequency transistors.

The cuts, attributed to the "start of a volume market," bring prices of the diodes down from \$55 and \$85 each to \$4.50 and \$6/unit, respectively, in large quantities.

At the same time, GE's Semiconductor Products Dept. announced it was introducing five new types of gallium arsenide devices, which will range in price from \$7.50 to \$18/unit.

This Month's Industrial Wholesale Price Indexes

Item	Latest Month	Month Ago	Year Ago	% Yrly Change
Cotton Broadwoven Goods....	104.1	103.9	99.7	+ 4.4
Manmade Fiber Textiles.....	97.0	97.1	99.3	- 2.3
Leather	116.8	117.4	136.2	-14.2
Gasoline	94.8	91.4	94.0	+ .9
Residual Fuel Oils	78.8	75.0	73.2	+ 7.7
Raw Stock Lubricating Oils...	108.4	108.4	96.7	+12.1
Inorganic Chemicals	103.3	103.3	102.5	+ .8
Organic Chemicals	99.4	99.4	99.2	+ .2
Prepared Paint	103.4	103.4	103.4	0
Tires & Tubes	92.8	92.8	100.8	- 7.9
Rubber Belts & Belting	105.5	105.5	103.8	+ 1.6
Lumber Millwork	107.1	106.4	106.7	+ .4
Paperboard	99.8	99.8	100.0	- .2
Paper Boxes & Shipping Containers	105.2	105.2	101.9	+ 3.2
Paper Office Supplies	102.5	102.5	101.2	+ 1.3
Finished Steel Products	109.1	109.2	109.1	0
Foundry & Forge Shop Products	108.2	108.2	107.8	+ .4
Non Ferrous Mill Shapes	99.9	100.4	96.3	+ 3.7
Wire & Cable	91.8	92.5	90.5	+ 1.4
Metal Containers	104.3	105.0	103.7	+ .6
Hand Tools	112.2	111.4	109.9	+ 2.1
Boilers, Tanks & Sheet Metal Products	102.5	102.6	99.2	+ 3.3
Bolts, Nuts, etc.	106.3	106.3	107.3	- .9
Power Driven Hand Tools	108.6	108.6	108.2	+ .4
Small Cutting Tools	119.2	118.3	108.0	+10.4
Precision Measuring Tools	109.5	109.5	108.9	+ .6
Pumps & Compressors	112.2	112.2	111.4	+ .7
Industrial Furnaces & Ovens	121.1	121.3	116.5	+ 3.9
Industrial Material Handling Equipment	105.9	105.9	105.4	+ .5
Industrial Scales	115.7	115.7	115.2	+ .4
Fans & Blowers	104.5	104.5	104.3	+ .2
Office & Store Machines & Equipment	104.8	104.8	104.1	+ .7
Internal Combustion Engines	103.9	103.9	103.5	+ .4
Integrating & Measuring Instruments	120.2	120.2	115.8	+ 3.8
Motors & Generators	101.4	101.1	104.1	- 2.6
Transformers & Power Regulators	98.3	98.3	102.1	- 3.7
Switch Gear & Switchboard Equipment	106.6	106.6	108.8	- 2.0
Arc Welding Equipment	108.1	108.1	103.9	+ 4.0
Incandescent Lamps	130.9	130.9	110.0	+19.0
Motor Trucks	106.2	106.2	109.0	- 2.6
Commercial Furniture	106.7	106.7	105.6	+ 1.0
Glass Containers	103.3	103.3	106.3	- 2.8
Flat Glass	97.6	97.6	99.7	- 2.1
Concrete Products	104.5	104.7	103.3	+ 1.2
Structural Clay Products	107.4	107.4	106.5	+ .8
Gypsum Products	104.7	104.7	104.7	0
Abrasive Grinding Wheels	94.8	94.8	98.7	- 4.0
Industrial Valves	117.1	116.8	116.6	+ .4
Industrial Fittings	95.9	106.8	98.4	- 2.5
Anti-Friction Bearings & Components	91.9	91.9	92.6	- .8

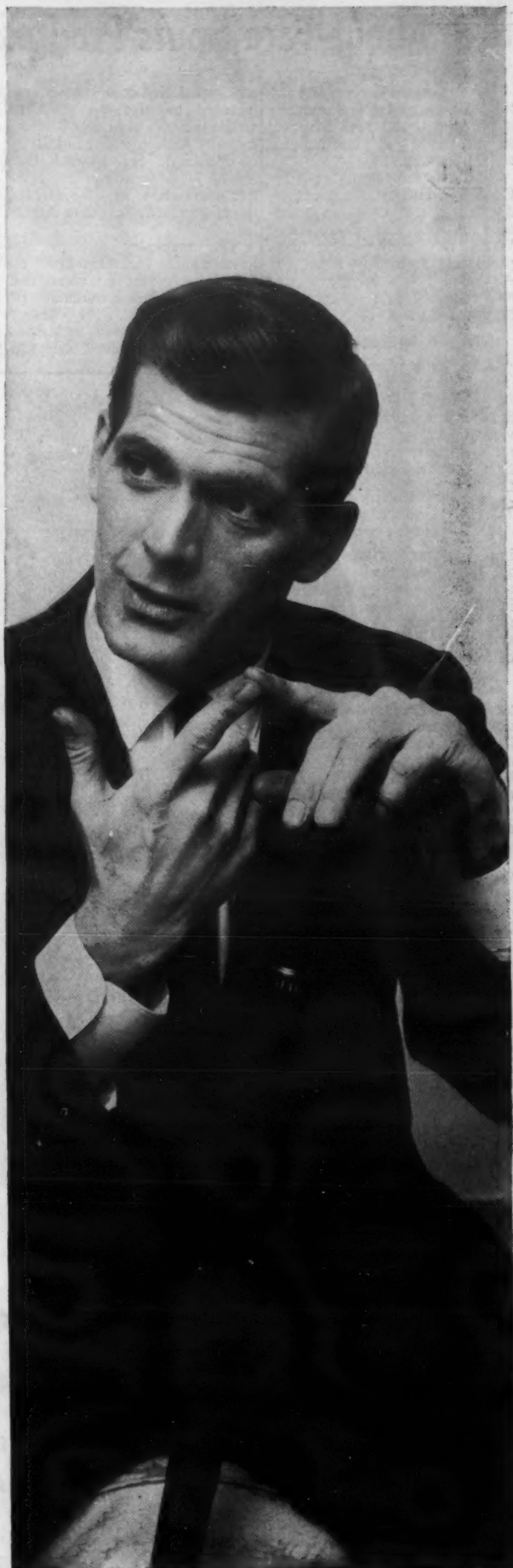
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U.S. About-Face Spurs Progress on Standards

New York—A changing attitude on the part of U.S. industry is bringing about rapid advances in the field of international standardization.

This movement, Vice-Adm. George F. Hussey, Jr., managing director of the American Standards Assn., told PURCHASING WEEK, is already erasing many problems formerly faced by American P.A.'s buying abroad and promises to reap increased benefits for them.

New Strides

Adm. Hussey, who recently returned from a conclave of the International Organization for Standardization in which he is vice president, pointed out the following developments that spotlight the strides being made in the field of international standards:

- The U.S. has nailed down the important post of secretariat on the ISO committee to work out a common international language in digital computers. Outcome of this effort will be a world-wide system capable of fast exchange of technical data.

- America also holds the secretariat for the committee on plastics standardization. This group has just come out with a standard glossary of terms in French, English, German, and Russian so that buyers of plastics on the world market will have a reference for ordering.

- Advance of the American viewpoint was made in the formulation of an ISO recommendation using the inch system in certain piping screw threads.

- The ISO recommendation on ball and roller bearings, which is almost identical to the U.S. standard, has paved the way for easier overseas buying of these items.

Recent entrance of U.S. steel representatives into ISO committee work spotlights the growing awareness throughout industry in general of the importance of the international group.

"Because purchasing agents are more aware of what standards mean than other parts of the executive hierarchy they could be a useful force in getting U.S. industry to invest even more time and money in ISO," Adm. Hussey noted.

Metric System Out for U. S.

ASA's managing director believes that the adoption of the metric system by U.S. industry is just about a dead issue. He said that his association is neutral on the metric system question, but observed that the cost and time required to shift over far outweigh the benefits.

Further, American business can expect many ISO recommendations based on the inch system because of the increasing influence of the inch-using countries in the deliberations.

Despite the advantages won by American delegates in the ISO, some apathy on the part of U.S. industry is still a major stumbling block toward international agreements, according to ASA. Of the 92 committees presently at work under ISO this country has taken active participation in 45.

Adm. Hussey lists the Ameri-

can superiority complex and reluctance to give up so-called "trade secrets" as further barriers faced by ASA in getting industry's co-operation. He warned that Russia is more active and open for negotiation in the international standards field than America.

The managing director believes that the U.S. should participate actively on every committee in which it has commercial or scientific interest. "By active participation I mean American industry make available men and

time to develop competent delegations for the committee concerned," he said.

As the newly formed countries of Asia and Africa begin to come of age economically they are not likely to take up the standards of a single country, because of the political implications, but will accept the ISO recommendations. Rather than take the chance of losing trade with these nations, it is important that American viewpoints be part of the ISO standards, the vice president pointed out.

Cleveland Mayor Blasts Chemical Firms for Submitting Identical Bids

Cleveland — Three chemical firms have drawn the fire of this city's acting Mayor Ralph J. Locher by submitting identical bids on a contract for 900 tons of fluoride.

Mayor Locher says he has demanded an immediate explanation from Hawshaw Chemical Co., of Cleveland, Henry Sundheimer Co., of New York, and American Agricultural Chemical Co., of New York, each of whom bid \$.0687/lb. on the contract.

A fourth company, General Chemical Div., of Allied Chemical Corp., was awarded a contract for 500 tons of fluoride by bidding 1¢/ton lower than the other three firms.

Locher said the city paid out at least \$600,000 during 1959 in buying goods and services on which identical bids were offered. He said some firms that sold electrical goods to the city have already been indicted for collusive bidding.



Texaco Lubrication Engineer

Purchasing Agent

The Purchasing Agent tells plant management about Texaco's "Stop Loss" program

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Treasury Eyes Relaxation of Depreciation Laws

Washington — The Treasury Dept. is laying the groundwork for possible liberalization of depreciation regulations for capital plant and equipment this fall.

The department already has mailed out questionnaires to 2,700 of the country's larger manufacturers and other businesses asking for their current amortization practices regarding capital equipment. Similar questionnaires have been mailed to 5,000 smaller companies by the Small Business Administration.

The purpose of the question-

naires, which are due to be returned by September, is to give tax planners a chance to study and make recommendations in depreciation practices to Congress next year.

The Administration heretofore has frowned on an easing of depreciation rates because of concern over losing revenues to balance the budget. But the arguments of both users and sellers of capital equipment have impressed Washington officials on the need for reform, both for itself and on the bigger question of a means

to stimulate economic growth. The argument has often been made that U. S. depreciation rules are among the most outmoded of any Western industrial country.

The new questionnaire will query taxpayers about the average useful life of all property; fully depreciated property; total depreciation reserves, and whether depreciation is figured under 1954 laws (double declining balance, and sum-of-the-digits) under post-Korea five-year fast amortization.

New Recruits for Leasing: Standard Pressed Steel, American Standard

Detroit—Two more major industrial manufacturers—American Standard and Standard Pressed Steel Co.—have decided to push their products through leasing programs.

American Standard has set up a plan to lease the entire line of equipment produced by its Industrial Div., including air conditioning and air handling equipment, heat transfer products, steel boilers, and fluid drives.

American Standard describes

its new leasing plan as "total" because it includes all types of non-expendable equipment from standard off-the-shelf items to custom installations.

John F. Tobin, American Standard vice president of marketing, said in announcing the plan, "leasing has become an increasingly popular method of financing in the last decade. Leasing allows companies to acquire control over almost any kind of equipment without capital outlay on their part."

The leasing plan retains for the purchaser all the advantages of an outright purchase, Tobin said. Standard construction and performance guarantees are part of the lease package. An option to buy is a standard part of the contract, he said. Each lease is individually tailored to the needs and desires of the customer with regard to terms and length of contract.

Office and steel equipment products of the Columbia-Hallowell Div. of Standard Pressed Steel are being offered through a rental plan covering 3 to 10 years.

Includes Shop Equipment

Describing the Columbia-Hallowell rental plan, J. F. Emhardt, general manager, said the products include shop equipment as well as office furniture. According to company officials, Standard Pressed Steel is the first manufacturer to lease shop equipment.

Emhardt said that equipment will be installed and serviced by local Columbia-Hallowell distributors and a monthly rental paid to the lessor. Standard Pressed Steel claims that the rates for equipment are "comparable with the lowest, and lower than most," when compared with rates of 17 different lease plans representing a cross section of available agreements.

He cited the following example of monthly rental rates per \$1,000: 3 years-\$32.10; 4 years-\$25.10; 5 years-\$20.90; 6 years-\$18.10; 7 years-\$16.10; 8 years-\$14.60; 9 years-\$13.50; and 10 years-\$12.60.

At the end of original lease period, firms leasing equipment have several options: renewal for any period from 3 to 10 years at 20% of original rates or purchase of equipment at 2% of price of the leased property.

Mississippi Businessmen Study Tax Exemptions

Jackson Miss.—The Mississippi Manufacturers' Assn. is undertaking a study of a new state law granting tax exemptions to producer inventories of manufactured products.

"Since the exemption will be granted only in those cities and counties which elect to grant it," an association spokesman explained, "we feel it necessary to furnish industry and the public with as much factual information as possible."

The new law, giving counties and cities authority to grant ad valorem tax exemptions for manufacturers' inventories, was part of a two-bill package aimed at stimulating processing and warehousing of goods in the state.



Production Superintendent

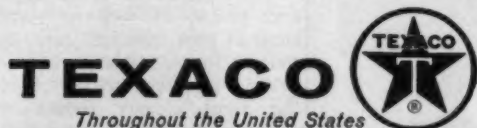
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Plant Manager

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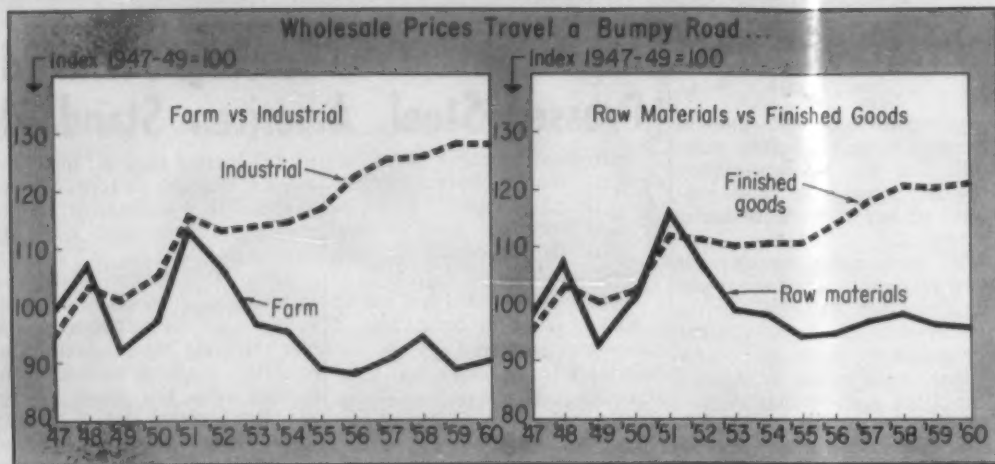
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General Price Outlook:

New York—While the prospects for continued price stability look good—with the possible exception of services—don't expect a simple across-the-board pattern in wholesale and consumer tags.

Even during the classic inflation of the postwar period, there were sharp differences in price movements. A glance at the charts on these pages reveals these shifting patterns:

• **General price level.** The "postwar inflation" has not been as pervasive or consistent a de-

velopment as that descriptive phrase indicates.

• **Wholesale prices.** There are important segments in the wholesale price field where tags are actually lower today than they were in 1947. And the course of inflation generally has been more bumpy and gradual than at the retail level.

• **Consumer prices.** Inflation did progress steadily in every major area of consumer goods and services—but in varying degrees, with services leading the pack.

Wholesale Prices

The wholesale price index measures changes in prices of goods that producers buy and sell. It is a composite of over 1,900 commodity prices—weighted according to relative importance—ranging from raw materials to finished products.

Over-all the wholesale price index rose some 24% since 1947—compared with a 32% inflation in consumer prices.

But this total effect obscures diverging trends among the groups of wholesale prices that go to make up the whole. For example:

• **Industrial vs. farm prices.** Wholesale prices in industry have gone up almost 35%, while farm products sell at nearly 10% less wholesale than they did in 1947.

• **Raw materials vs. finished goods.** The human touch becomes increasingly expensive; over the past 13 years raw materials prices have declined 2½%, but finished goods have gone up over 26%.

Thus it is evident that the postwar inflation at the wholesale level was confined to finished goods in the industrial sector of the economy. A further breakdown pinpoints hard goods as the area where the greatest increase in prices occurred.

• **Durables vs. nondurables.** Prices of manufactured durable goods went up 58½% since 1947, while for nondurables the rise was a modest 11%.

• **Producer goods vs. consumer goods.** Producers goods, chiefly machinery and equipment, rose 65% since 1947. Manufactured consumer goods, where the product mix includes as many soft goods (textiles, paper products, etc.) as hard goods (appliances, automobiles) went up only a little over 16%.

This bears out earlier studies that pointed to steel, machinery, construction, and durable goods manufacture as the major sources of inflation since World War II.

Consumer Prices

The consumer price index—better known as the Cost of Living Index—measures changes in retail prices for some 300 representative items included in the household budget of moderate-income families in urban areas.

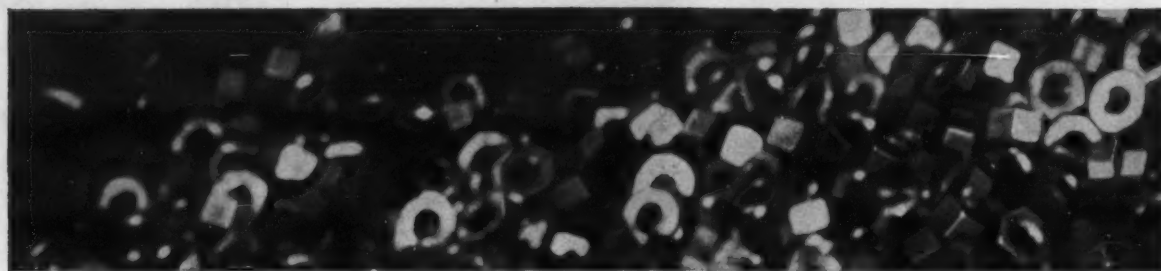
Such goods as food, apparel, and autos, as well as services such as rent, medical care, commuting fares, are covered.

And services—as the chart on the right clearly shows—were the main villain of the inflationary surge in consumer prices. An examination of the major services required by the consumer reveals some cost increases of surprising magnitude.

• **Medical.** The 56% increase in this area (from the base 1947-



Change in nut saves \$11,000



RB&W survey shows business machine maker how simple change in fastener dimensions will add to profits the equivalent of \$110,000 in extra sales

A simple change in nut size offered one typewriter manufacturer an \$11,000 a year saving. Yet it involved no re-engineering . . . no compromise with quality.

The RB&W Fastener Man was invited to make a survey of the manufacturer's fastener usage. In studies of blueprints and specifications, he found only one minor area for improvement—but what an improvement! The drawings still showed a hex nut taken from specifications long obsolete as a standard. By simply switching to the cur-

rent standard size, the manufacturer could save \$11,000. That's pure profit. Even if his net-on-sales were as high as 10 per cent. It would take extra typewriter sales of \$110,000 to net the same amount.

Are you sure you're not wasting needless dollars on fastener specifications? Why not ask for an RB&W man to make a survey of your fastening operations. He's no smarter than your engineers, but he knows what to look for. Write Russell, Burdsall & Ward Bolt and Nut Company, Port Chester, New York.



Plants at: Port Chester, N. Y.; Coraopolis, Pa.; Rock Falls, Ill.; Los Angeles, Calif. Additional sales offices at: Ardmore (Phila.), Pa.; Pittsburgh; Detroit; Chicago; Dallas; San Francisco. Sales agents at: Cleveland; Milwaukee; New Orleans; Denver; Fargo. Distributors from coast to coast.

Relative Stability With Inflation Lurking

49 period) includes a 150% rise since 1947 in the average cost of a hospital room. In line with this increase, hospitalization insurance rates are approximately double what they were in 1951—the first year this insurance data was collected by the Bureau of Labor Statistics for the Cost of Living Index.

• **Transportation.** The biggest increase—almost 150% since 1947—occurred in local transit fares—bus, subway, trolley. The cost of automobile insurance was second, rising 120% over the same period.

• **Rent.** Most of the nearly 42% increase in rent (from the base 1947-49 period) occurred between 1947 and 1955, when this cost jumped 39%. Since then rentals have increased less than 9%.

Compare the sharp inflation in services to the relatively modest increases consumers have had to pay for food (up about 20%), consumer durables (up 12%), and apparel (up 9%).

Inflationary Course

The big inflationary boost in the period since 1947 came from the Korean War.

As the charts at left indicate, wholesale prices shot up in 1950 when the war broke out and peaked in 1951. Since then farm and raw material prices have been declining, and price rise in other areas took on a more gradual pace, with no marked surge till after 1955.

Consumer prices also participated in the steep Korean War inflation. But services continued to increase—rising about as much since the Korean War as they had from 1947 through the cessation of hostilities.

Consumer goods, on the other hand, showed a much less steady inflation. Food and apparel costs didn't reach their 1951 levels until 1957; and the consumer has never paid as much for durable goods as he did in 1951.

Current Price Trends

For the first time since the end of World War II, the major inflationary forces—wages, overhead costs, and material shortages—appear to be under firm control. Wage demands in recent months, for example, have been modest compared with those of the mid-1950s. And in the latest steel and railroad contracts cost-of-living escalation has been limited or completely eliminated.

In addition, the salary bill for white collar workers, especially engineers and scientists, won't be increasing so fast as it has been. The buildup of these staffs should go on at a steady but less frantic pace than in recent years.

Material shortages don't enter the future picture either. Right now excess industrial capacity is problem in almost every industry—and this situation isn't likely to change in the next couple years.

Other important factors that should ease production cost pressures are:

• The greater productive efficiency created by the growing emphasis on research and development.

• Increasing foreign competition, which works directly to keep domestic prices down and, indirectly, to tone down labor

demands and stimulate management efficiency.

Controlling production costs, of course, will help fight inflation in the prices of goods.

Distribution Costs Checked

Distribution costs—which are added to production costs for the consumer—have been checked by such growing developments as discount houses and large-scale supermarkets.

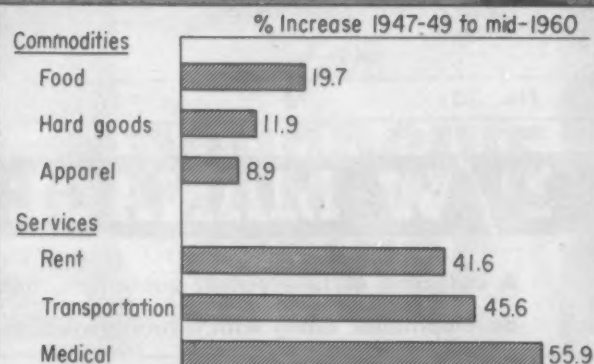
But in services, where demand is still expanding rapidly, the

progress of inflation is uncertain.

In many service areas, rising wages—resulting from competition for labor—should continue to push costs and prices up.

But even in this sector there are encouraging signs for price stability. For example: Sharp productivity increases in air transport through jet power, self-service laundries, "do-it-yourself" popularity, rising vacancy rates in housing—all these developments should work to keep inflation in check.

... But Consumer Prices Climb Steadily



Purchasing Week

July 25, 1960

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OLD WAY (36.5 Seconds) White lines show actual motions required for sealing just the top of a container with plain paper tape.

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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Breaking the Reading Barrier

Reading maketh a full man, says the poet—and a tired one, too, many businessmen will hasten to add. The overburdened executive, struggling to dig himself out from under the huge pile of reading matter that daily accumulates on his desk, now can take heart.

A booklet, issued by McGraw-Hill Publishing Co., proclaims that you can cut your reading time in half—if you'll trade your old (bad) reading habits for new (good) ones. Prepared in collaboration with Reading Laboratory, Inc., the booklet offers a few simple techniques that enable you to break through the 250-per-minute reading barrier (average rate for businessmen generally) into the more rarefied regions of 1,000 wpm, where dwells the trained reader.

But that's not all. Armed with these new techniques, the booklet says, you'll not only speed up your reading time, but you'll improve your comprehension of the stuff you're reading too.

How is this minor miracle accomplished? Simple. Here are a few pointers:

- Read by phrase rather than by word.
- Develop rhythmic eye movements—don't jump around.
- Follow a center line down each column.
- Pre-read by checking the index and paragraph headings—you'll pick up the important parts this way.

To get a free copy of "How to Cut Your Reading Time in Half," write McGraw-Hill Publishing Co., Room 601, 330 W. 42nd St., New York 32, N. Y.

Skeletons in Your Closet?

Here's a note for job seekers: Though most prospective employers are usually slipshod in checking up on your past (see Management Memos, July 4, 1960, pg. 10), they can dig as deep as they wish without invading your legal rights of privacy.

Executive recruiters know that most prior employers give a clean bill of health, no matter what your record. So they may dig deep outside of your old employer's shop. But once you seek a job, you've put your life's history on the line and can't claim invasion of rights of privacy if a curious company undertakes some real investigating.

Some poke around for Communist affiliations or leanings (particularly in defense procurement jobs), past marital troubles, old bankruptcy proceedings, criminal records and credit history. One firm in the field employs ex-FBI men for its investigators.

Check your local laws before applying for a job. Questions about race, religion, national origin, or age are often taboo.

Depreciation Booklet

You're bound to be hearing a lot more about depreciation and other tax matters this fall as the Presidential campaign heats up. To help you to better understand this abstruse subject—and, incidentally, to penetrate the oratorical smog—get a copy of "Depreciation in Our Present Economy," a free booklet put out by the American Appraisal Co., 525 E. Michigan St., Milwaukee, Wis. This firm makes appraisals of the value of plants and tools—and its experience in this field provides many useful pointers.

PURCHASING PARADE

The whole world sooner or later knocks on the purchasing man's door, so the itch to travel comes naturally. Here are some newsworthy globe-trotters:

• **L. C. Craig, Materials Control Supervisor for Geophysical Service, Inc.** (Dallas) has covered most of this planet in his work.

His home is decorated with objects from such places as Arabia, South America, and Sumatra. Outstanding among his souvenir purchases from abroad are two ornately carved teakwood chests, which Craig brought home after a trip to China. They are particular favorites of his wife and four daughters.

When not at his office, Craig can usually be found in his "old-fashioned garden" where he grows roses, pinks, gardenias, honeysuckle, and wisteria.

• Here's a P.A. who's celebrating his twenty-fifth wedding and company anniversaries in a big way.

Joseph W. Kalina and his wife left for Europe July 22 and right now are visiting one of the 11 countries on the agenda. Kalina, P.A. at **Thompson Ramo Wooldridge, Inc.** (Cleveland), and some 90 other employees are taking advantage of the four-week trip sponsored by the company for their vacations this year.

• Still another purchasing executive—this one from Australia—with an even bigger itinerary is **Woolworth's Head Office Buyer, Claude Primrose**, who left in May for a 14-country tour

and should be back sometime in August.

Primrose's plans include visits to the manufacturing centers of the United Kingdom, Italy, Spain, Portugal and France. Other countries on his itinerary are Belgium, Germany, U.S.A. and Japan.

• And the man with the gun in the pictures below is **H. L. (Bill) Consley**, Director of Purchases at the York Division of **Borg-Warner Corporation** (York, Pa.), a big-game hunter with an international reputation. He's been a P.A. for 18 years and a hunter most of his life.

His varied experiences have made Consley a much sought-after speaker

Personal glimpses of P.A.'s as they march by in the news

by many sports and P.A. organizations. An avid photographer, he illustrates his talks with color slides and photographs.

As handy with a typewriter as with a gun, Consley has had several articles published in leading sports magazines under his nom de plume, "The Desk Hand."

This warm weather means **Richard S. Warren** will be pretty busy.

Between water-skiing on Lake Erie near his home and caring for his peach orchard and garden, Warren, who buys contract services at **Diamond Alkali Co.** (Cleveland), admits he has to really hop to keep up with his hobbies.



SURE SHOT (ALASKA): Bill Consley poses with giant Kodiak. He's one of the few ever to score a "grand slam" by bagging the four great North American bears. But that's not all —→



SURE SHOT (AFRICA): Now Consley also has the "Big Five" of Africa to his credit. Here he's shown with the leopard he bagged during his recent safari into the African heartland.

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How do you discourage the persistent salesman who has nothing of interest for you?



T. C. Ray, manager, purchasing department, Inland Steel Products Co., Milwaukee:

"Our policy is to see all salesmen and become thoroughly acquainted with the products and services they have to offer. This could take two or three interviews, and at the conclusion of these discussions we both should thoroughly understand whether we are in a position to do business together. After this has been done we feel that we can honestly tell the salesman that we do not have time for any additional interviews and not to bother calling unless he has something new to offer. We also tell him not to be surprised if we refuse to see him when he calls."



G. A. Jackson, director of purchases, Champion Paper & Fibre Co., Hamilton, Ohio:

"Give every representative an opportunity to give his complete pitch, either to the P.A. or technical people through purchasing. If additional inquiries or orders do not result from the salesman's 'day in court,' a high percentage of time, he will slack off until he has an improved or new product. If he persists in calling, a polite, courteous reminder that there is no present demand for his product has solved the problem."



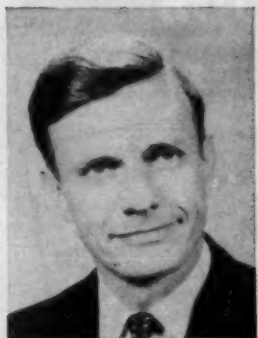
J. R. McMurray, general purchasing agent, Canadian Oil Companies, Ltd., Toronto:

"Having once established conclusively that the supplier's goods or services will serve no useful purpose for us, we tell him so frankly and explain the reason. Should he continue to call, we review with him the earlier discussion and suggest that he might discontinue visiting us on a regular basis, but to feel free to drop in occasionally whenever he is in the vicinity. We encourage rather than discourage anyone from calling on us, because of these rapidly changing times one never knows when a particular individual or company may be of inestimable assistance."



K. A. Taylor, purchasing agent, Barden Corp. (precision ball bearings), Danbury, Conn.:

"The salesman who has nothing to offer our company is wasting both our time and his. If after explaining quite thoroughly why his product or service will not fit into our operation, he continues to be persistent, he is then denied the privilege of an interview on subsequent calls."



M. G. Edwards, purchasing manager, Mississippi Products, Inc. (radio, television & sewing machine cabinet tables, furniture, etc.), Jackson, Miss.:

"First, I try by careful questioning to be very sure that he has nothing of interest. By these questions I will also try to make this fact clear to him. On following calls, I will be courteous but brief. Finally, I will tell him frankly that he is wasting both his time and ours and suggest he make periodic checks to see if the picture has changed, but that regular calls are unnecessary."

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ITT Fashions New Inventory Tags to Do Three-in-One Job,

NEW TAG (above) does work of three old ones, cuts errors by eliminating recopying.

Clifton, N. J.—A new inventory tag devised by ITT Components Div., International Telephone and Telegraph Co., Clifton, N. J. has:

- Improved accuracy of inventories.
- Halved total inventory time and, as a result, production downtime.
- Cut paperwork.

Under the old inventory system, stock-takers noted the quantities on several inventory slips and then passed them on to the controller for auditing. There were many mistakes, due to the fact that everything had to be recorded twice.

The problem could have been solved fairly easily by installing electronic tabulating equipment—but at great expense. As W. J. Hoffman, controller, explains it: "We are like a lot of small companies with an inventory of many small items. They are hard to count—and the small quantities give us card runs that are much too short for electronic tabulating equipment. And since we have five widely separated

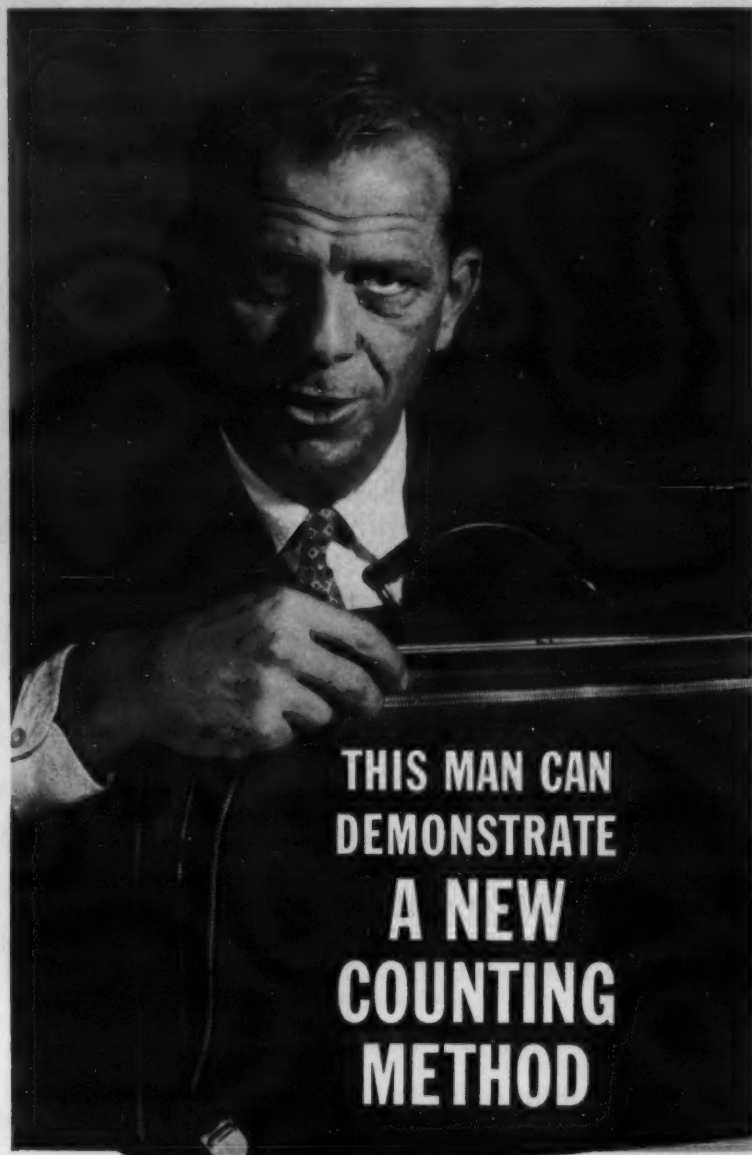
plants, we'd have to send the cards back and forth."

Hoffman wanted a simple, direct way of doing the job. Together with Production Control, he worked out a two-part count tag that could be tied to stock bins. Interleaving carbon saved rewriting the stock numbers and count onto another sheet.

The finished tag was then put to a severe test on one product line, which alone has 15,000 different stores items, 5,000 work in process units, and 500 finished components. It worked so well that the Components Div. has installed the new system at its four other plants.

Under the old system, two types of tags were used—one for stores, the other for work in process and finished goods. A card, forming the body of each type of tag, carried the record of physical count, receipts, and issues during the period of inventory and final balance.

Two flimsy copies of the actual in-



THIS MAN CAN
DEMONSTRATE
A NEW
COUNTING
METHOD

... right in your own office!

Mr. Purchasing Agent — Let us have 15 minutes of your time — that's all it'll take to put on the Veeder-Root "DESK-TOP DEMONSTRATION" — an actual performance of how Veeder-Root Electronic Counters will improve your production records, improve your product. Let us show you how Veeder-Root Electronic Counters can measure quantities, lengths, liquids; count odd-shaped objects; actuate machinery; measure batches. Let us show you new counting methods utilizing Electronic Counters to count, measure, actuate — rapidly, accurately, from remote locations, with complete flexibility, with minimum maintenance.

Make sure you see the Veeder-Root "DESK-TOP DEMONSTRATION". Just call your nearby Veeder-Root branch office, or write direct. Your Veeder-Root sales engineer will be glad to put on the demonstration at your convenience.

Veeder-Root

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GC specialty"

"Several of our processes call for recording charts of special design. I've found that GC tops the field on these just as on standard items."

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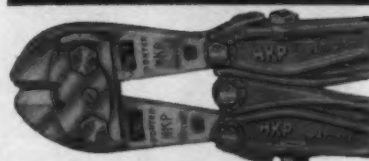
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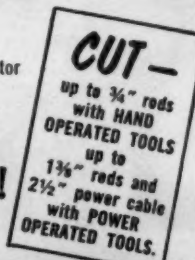


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mills, construction companies and other
heavy industries!

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Types — Hand or Power Operated

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GE Begins Work on Silicone Plant

Other Disadvantages

The new tag (see illustration, left), devised with the assistance of a systems specialist from the American Tag Co., Belleville, N.J., combines on one standard form (of two carbon interleaved copies) all data necessary for the

Training the inventory crews to use the new system is a fairly simple task, says Hoffman. Before each semi-annual stocktaking, a meeting is held with all inventory personnel to brief them on major points. Each man is given a dummy of the system tag, duplicated on 8½ in. by 11 in. paper. Marginal notations, "arrowed" to appropriate portions of the tag, explain how to use it. Additional copies of this instruction are

After the orientation period is completed, the inventory crews start on the countdown. First, they tackle the stores inventory, then the physical inventory of work in progress and, finally, finished goods. The counts are posted to the Kardex record. Audit test counts are performed by an outside auditing firm and verified on the Kardex record.

The new plant will replace smaller existing facilities, which will be converted to serve other needs at the firm's Silicone Products Department in Waterford.

The GE plant is a completely integrated silicone production operation producing silicones used for masonry water repellants, textile finishes, polishes, and cosmetics.

The plant, which is expected

to be operating by late 1961, will have the most advanced equipment and technology of the silicone industry, according to J. T. Coe, general manager of the department. One of its features will be a closed circuit TV hookup for monitoring operations for a centralized control room.

Part of Expansion Program

The new plant is part of a two-year expansion program. The first phase was a \$1-million silicone fluids finishing building now under construction and expected to be in operation in November.

ITT COMPONENTS DIVISION				PHYSICAL INVENTORY TICKET	
PART NO. RT-97162		29143			
PART NO. RT-97162		29143			
PART NAME TNC PINS					
MATERIAL DESCRIPTION					
QUANTITY		ISSUED	✓	NO	OTHER
LAST ORDER		REORDER ON LAST ORDER			
NO. OF CONTAINERS		COMBINED INDIVIDUALLY (See Inventory Sub)		COUNT IN TOTAL	
UNIT OF MEAS. EA		ASSEMB. A		BOX 2	
EAT		RECEIVED OR ISSUE NO.		QUANTITY RECEIVED	
10-1		PHYSICAL COUNT		BALANCE ON HAND	
4-1 937521				300 2,000	
11-2 23796		500		2,500	
11-3 99763				600 1,900	
COMPUTED BY		CHECK BY		TOTAL PHYSICAL	
10		83		1,900	
NO.		STANDARD		TOTAL COST	
MATERIAL		8 - .05		95.00	
LABOR		—		—	
BURDEN		—		—	
TOTAL		8 - .65		95.00	

Q9 53

PRODUCTION CONTROL COPY

three types of inventories. One series of numbers is used for all cards, and each type of inventory gets a block of numbers. These number blocks are further broken down and distributed among departments and product lines. Physical count, issues and receipts, and balance are all recorded on the same copy along with basic descriptive and identifying data.

Product identifications were eliminated because serial numbers could be referenced to product line. For instance, any tag numbered from 12500 to 12999 would pertain to the Vacuum Tube Department.

Printed on the reverse of the new tag is a columnar block on which inventory personnel can note items located in separate containers. Pressure sensitive labels, either affixed directly or carried on wire tags, are used to



Arwood adds a new dimension to investment casting — **SIZE**

Until now, an investment casting has been something you could hold easily in one hand. Today, thanks to a series of technological breakthroughs, Arwood can offer you investment castings so large and heavy that you need two hands even to budge them from the floor!

The new weight limit approaches 100 pounds.

What does this mean to you? It opens a whole new realm of possibilities in the design of component parts. For the first time, a designer can avail himself of investment casting's special advantages over a complete size range that runs from a fraction of an ounce up to weights heretofore available only in sand castings. Advantages like investment casting's ability to reproduce complex,

hard-to-machine shapes in any castable metal or alloy . . . its low initial tooling expense . . . the dimensional accuracy and smooth surface finish characteristic of investment cast parts.

So . . . for quality investment castings in any ferrous or non-ferrous alloy . . . and in any size and weight . . . check with Arwood. We can free your hands to design for function and end use, because we can give you the *shape* you need in the *metal* you need in the quantity you need, no matter how *large* the part on your board. All five Arwood plants stand ready to serve you.

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Association News in Brief

Louisville

Louisville, Ky.—Charles T. Hoertz, Louisville Water Co., was elected president of the P. A. Assn. of Louisville.

Serving with him are: Walter Pfumm, Gridler Construction Corp., first vice president; Leslie Durham, Fawcett-Dearing Printing Co., second vice president; William M. Gruber, University of Louisville, secretary; Walter Smith, Osborne Engineering Co., assistant secretary; and Louis A. Kirchhoffer, Commonwealth Life Insurance Co., treasurer.

Donald R. Hughes, General Electric Co., became national director. Appointed directors were: Harold Butler, H. J. Scheirich Co.; Leve Moore, Corhart Refrigerators; and Roland Schaper, American Synthetic Rubber Co.

Florida

Jacksonville, Fla.—W. L. Beckham, new NAPA 7th District Public Relations Committee chairman, is a company president who does all the buying for his



W. L. BECKHAM

firm, Export-Import Corp. here.

The last eight years he served as chairman of the P. A. Assn. of Florida's Professional Development Committee. Beckham is a reporter to the NAPA Bulletin on commodity prices and lumber reporter for the Southeast.

San Antonio

San Antonio, Tex.—B. C. Jackson, City Public Service Board, heads the slate of new San Antonio P. A. Assn. officers.

Others include: Albert T. Tripp, City of San Antonio, first vice president; Frith Arnold, Alamo Iron Works, second vice president; Robert Mayfield, H. B. Zachry Co., secretary; and E. J. Petsch, Friedrich Refrigerators, Inc., treasurer.

Bryan Gouger, City Public Service Board, becomes national director and H. L. Thulemeyer, Lone Star Brewing Co., is alternate national director. Named local directors were Elton Harrelson, Graybar Electric Co., and Samuel B. Winegardner, Southwest Research Institute.

Arkansas

Little Rock, Ark.—Doyle Scott, International Paper, Camden, is the new president of the Arkansas P.A. Assn. Other officers are: H. C. Bragg, Minnesota Mining, first vice president; R. M. Jones, Voss-Hutton-Barbee, second vice president; Paul Broussard, Veterans Hospital, North Little Rock, secretary; H. O. Miller, Allied Arkansas Bearing Co., treasurer.

Evansville

Evansville, Ind.—Alfred E. Riecken, Orr Iron Co., takes over as president of the Evansville P.A. Assn.

Serving with him are: Royce C. Cox, Texas Gas Transmission Corp., Owensboro, Ky., first vice president; James E. Morse, Keller-Crescent Co., second vice president; A. R. Schrawder, Shane Mfg. Co., secretary; and George G. Yeager, Aluminum Co. of America, Newburg, treasurer.

ST. LOUIS ASSN.'S new officers are: (seated, l-r) Harold Kramer, Wagner Electric Corp., sec.; F. A. Biller, Hussmann Refrigerator Co., 1st v.p.; Jack Darrow, Universal Match Corp., pres.; Henry F. Shield, Sporlan Valve Co., 2nd v.p.; John J. Staed, retiring pres.; (standing) H. C. Brown, Joy Mfg. Co., treas.; N. H. Martens, Falstaff Brewing Corp., exec. committee; Glenn Otten, Nordberg Mfg. Co., exec. committee; E. E. Smith, Natkin & Co., exec. committee.



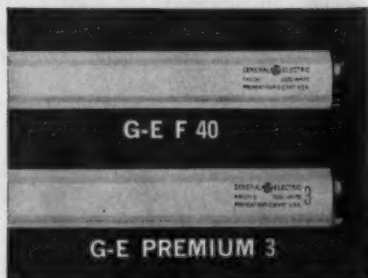
How much brighter would you like your secretary?



20%? Yes, we can brighten your secretary—and all your other people too, by improving their "eye-Q" (their ability to see better, work better). If your present lamps are 1 to 3 years old, replace them with General Electric F-40 Fluorescent Lamps tonight . . . tomorrow your building will have 20-35% more light without adding a single new fixture! G-E F-40's work in present 40-watt fixtures whether they use starters or not, cost 5¢ less than previous rapid start lamps!



50%? You can do it with new G-E PREMIUM 3 Fluorescent Lamps—most powerful 40-watt lamps on the market and the first 40-watters to deliver over 3,000 lumens! Just replace all your lamps that are 1 to 3 years old. With more light to work by, your people will make fewer mistakes . . . efficiency and morale will get a big boost. G-E PREMIUM 3 Lamps also work with or without starters. You get up to 50% more light without spending a cent on new fixtures.



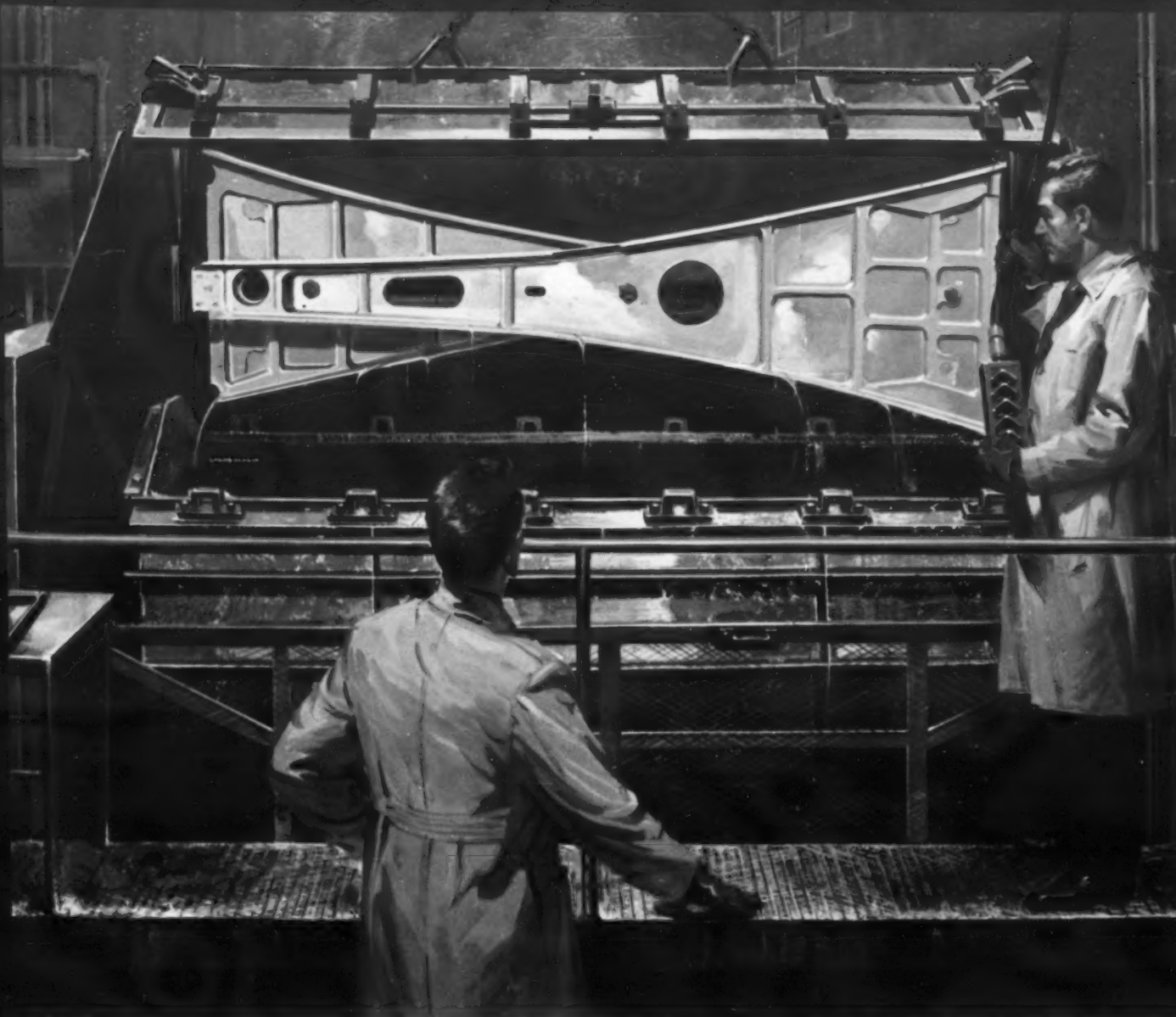
GENERAL ELECTRIC... WHERE BRIGHT IDEAS BECOME BETTER LAMPS

GENERAL ELECTRIC MONEY SAVER FLUORESCENT LAMPS CAN BRIGHTEN YOUR PRODUCTION PEOPLE AND SALES AREAS, TOO

New G-E PREMIUM 3 and F-40 Lamps are two recent examples of how General Electric lamp research saves you money and gives you more light, too. Place your next order for lamps with your G-E Lamp distributor. General Electric Co., Large Lamp Dept. C-011, Nela Park, Cleveland 12, Ohio.

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GENERAL ELECTRIC



The "Touch of Gold" applied on a grand scale to barrel finishing

A giant size barrel and Norton TUMBLEX* abrasive reduce the cost of putting the finishing touch on these aircraft spars.

Barrel finishing with Norton TUMBLEX* abrasive is finding more and more applications because it performs this function better, faster, and for less money than other methods.

Norton brings this value-adding, profit-

increasing "Touch of Gold" to industry in the widest variety of tumbling operations... using six types of TUMBLEX* abrasive, each in a variety of sizes, on parts ranging from tiny needles to these seven foot spars.

Send in your parts to our Sample Processing Department. We will finish them using the correct abrasive and send you a detailed report on methods and

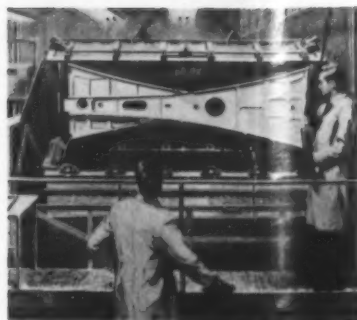
equipment. Send your parts to NORTON COMPANY, General Offices, Worcester 6, Massachusetts.

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Barrel finishing...

CAN ANY OTHER METHOD DO AS WELL FOR YOU?

Not by a long shot!

On the other side of this message we showed you an interesting new development in barrel finishing.

Now, you may have thought: "Well, that must be a good way to finish seven-foot spars. But I don't make anything like those... So, maybe..."

So, maybe we ought to make the scope and advantages of barrel finishing with TUMBLEX abrasives as clear to you as we can. After all, it's time you got some basic facts about how these new advancements are benefiting an already large and rapidly increasing number of manufacturers — including your own competition.

First, about the size of the parts you finish. The huge spars you saw in our illustration are not top limits for size in barrel finishing. Those limits haven't yet been set.

And you can go just so far in the other direction — can barrel finish ball bearing components that are really miniature.

In short, you can use TUMBLEX abrasive for finishing any parts not too big for a barrel — or not so small that they'll get lost in the barrel slurry.

About materials, the variety that can now be barrel finished covers the

range from precious metals through the non-ferrous group to common steels and the newest space-age alloys.

But that's just part of the list. Today's non-metallics — including some harder than hardest steel, some softer than the softest non-ferrous metal — even wood can be barrel finished.

Plastics and extremely hard sintered oxides are typical of the new materials that are now run-of-the-mill applications for barrel finishing — and TUMBLEX abrasives are made in different types for best results across the entire range.

Next, does machining or stamping affect the suitability of parts for barrel finishing?

The answer is: not in the least — barrel finishing is best for both.

For example, other finishing methods may set up tensile stresses in steels and other metals, thereby weakening the fatigue strength of parts. But slight cold working from

the barrel finishing process does exactly the opposite. As a matter of record, selection of the right TUMBLEX abrasive for barrel finishing hardened steel parts can raise their fatigue limits as much as 20 per cent — adding to their service life.

Also, parts can be processed after barrel finishing — can be welded, brazed, punched, tapped, etc. — can be plated or enamelled.

Concerning complex-shaped parts, the latest barrel finishing equipment and abrasives offer the most efficient, lowest cost solution to a very old problem.

In particular, the many different shapes and sizes of TUMBLEX abrasives enable modern barrel finishing to deliver results never possible with hand finishing. TUMBLEX spheres, triangles, round pins, triangular pins and other members of this fast-growing family get into the hardest-to-reach spots. Their uniformity of shape and accuracy of size eliminate wedging. And their ability to form a very closely packed mass in the barrel prevents parts from impingement on each other.

Summing up, the size, material, processing and design of the parts you produce offer little or no problem for barrel finishing.

That's why correct selection of TUMBLEX barrel finishing abrasives can assure your best possible results in meeting the following requirements:

Removing burrs... smoothing off feather edges... forming radii... refining surface finish... burnishing for luster or color... preparing surfaces for painting, enamelling or plating... imparting matte finish... removing heat-treat scale... removing dirt or grease.

Besides definite improvements in your product appearance and quality, TUMBLEX abrasives can bring higher productivity per man-hour and lower cost per piece produced.

Send your samples of parts — large or small, simple or intricate — to our Sample Processing Department. We'll barrel finish and return samples, with a full report of the abrasives and methods you need to improve quality and cut costs. NORTON COMPANY, General Offices, Worcester 6, Mass. Plants and distributors around the world.

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New P.A. Assn. officers are:
SPRINGFIELD (front row, l-r)—H.—>
 A. Young, Parker Sweeper, sec.;
 Ted Bell, Howard Paper, pres.;
 (back row) William Craig, Jr.,
 Yost Superior, nat. dir.; William
 Metz, Springfield Mfg., treas.;
 John Arnold, Patton Mfg. v.p.

← **DENVER** (seated)—L. R. Bryant,
 Grinnell Co., sec.; C. W. Manning,
 Climax Div., Amer. Metals, pres.;
 Jack Turtle, Ideal Cement, nat.
 dir.; (standing) E. E. Waters, Colo.
 School of Mines, bus. mgr.; Dean
 Bennett, Amer. Pipe & Supply,
 treas.; C. R. Arner, Climax Div.,
 dir.; P. M. Cheney, Mines De-
 velopment, v.p.; H. R. Grabert,
 Eastman Oil Well Survey, alt. nat.
 dir.



Belcher Oil P.A. Is Named as Head Of Florida Assn.

Miami—Robert P. Raitt of Belcher Oil Co. is the new president of the P. A. Assn. of Florida.

Serving with him are: John J. Wahl, Farquhar Machinery Co., Jacksonville, first vice president; Ralph R. Siller, State Purchasing Commission, Tallahassee; Peter A. LoBianco, Crystal Springs Water Co., sec.; Ralph H. Griffith, Bond-Howell Lumber Co., Jacksonville, treas.; and Walter H. Norman, Orlando Utilites Commission, Orlando, national directors.

Appointed directors were: M. C. Mickelson, Pinellas County, Clearwater; Mary C.



R. P. RAITT

Smith, Escambia General Hospital, Pensacola; G. Q. Butler, Martin Co., Cocoa; Walter A. Laing, Tampa Armature Works, Tampa; Leon Lightburn, Humphreys Golds Corp., Jacksonville; Monroe Jordan, Vaughn & Wright Co., West Palm Beach; Gay C. Livingston, E. I. du Pont de Nemours, Starke; Arthur C. Dobay, City of Hollywood, Hollywood; and Walter Holen-hanser.

Lehigh Valley Association Installs New President

Easton, Pa.—Joseph H. Busch, Palmer Township, has been installed as president of the P.A. Assn. of Lehigh Valley.

Other new officers are: Robert E. Jones, Allentown, vice president; John J. Fox, Stockertown, secretary-treasurer; and William J. Schon, Bethlehem, national director.

Appointed directors for two-year terms are: Charles E. Walsh, Bethlehem; Kenneth W. Shook, Palmer Township; and John V. Skovoretz, Catasauqua.



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 The Only Stainless Steel Vans and Reefers In America.
 The Most Comprehensive Line-Up of Liquid and Bulk Transports.
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Fruehauf Trailer Company

Detroit 32, Michigan

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For Forty-Six Years—World's Largest Builder Of Truck-Trailers!

Here's your weekly guide to . . .



Copying Machine

Has New Design

Verifax copying machine has redesigned copy transfer mechanism allowing use of pretrimmed 8½ in. by 11 in. copy paper. There are copy paper advance-knobs on each side of the machine for operating convenience.

Price: \$132.50 (for letter-size papers) and \$175 (for legal and letter-size). Delivery: immediate.

Eastman Kodak Co., Business Photo Methods Div., 343 State St., Rochester 4, N. Y. (PW, 7/25/60)



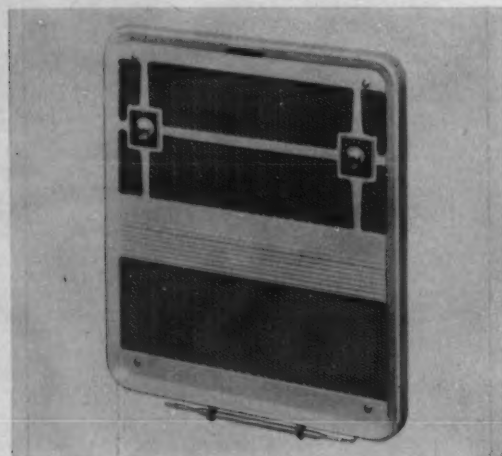
Phone Unit

Saves Space and Time

Phone unit provides telephone space, file and phone book compartment, and pencil holders in a compact communications station to save workspace and working time. The unit, made of styrene, is available in white, black, grey, or beige.

Price: \$2.50. Delivery: 4 wk.

Valley Bolt Co., Davenport, Iowa (PW, 7/25/60)



Wall Heater

Runs Quietly

Wall heater runs quietly and distributes heat over a wide area. Available in capacities from 2,000 watts to 4,800 watts, and operating at 208 v. or 240 v., the wall heater is available in designs for recessed or surface mounting.

Price: \$75 to \$90. Delivery: immediate.

Markel Electric Products, Inc., and LaSalle Products, Inc., 147 Seneca, Buffalo, N. Y. (PW, 7/25/60)



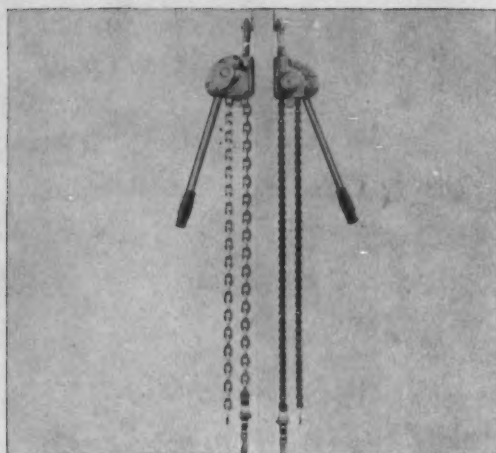
Cut-Off Tool

Is Straight Blade

Hollow ground straight blade cut-off tool of high cobalt steel is available for use on automatic screw machines. Vanadium content is said to increase the abrasive wear resistance of the device. Blade sizes from ¼ in. x ½ in. to ¼ in. x 1½ in. are available.

Price: \$1.85 to \$3.15. Delivery: immediate.

Somma Tool Co., 109 Scott Rd., Waterbury, Conn. (PW, 7/25/60)



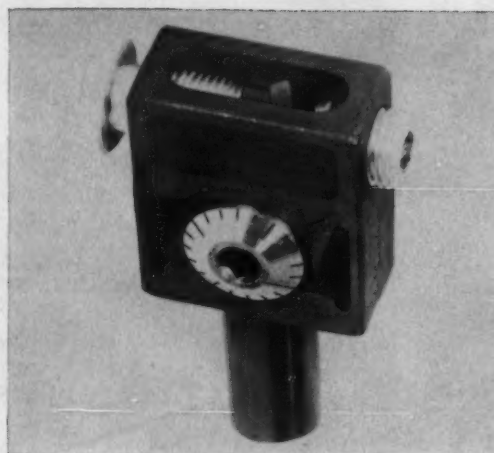
Hand Hoist

Handles One Ton

Hand hoist has one-ton capacity and will not free chain under load, even if control lever is tripped accidentally. The housing design of the 13½-lb. device enables the operator to rig the hoist flush with wall or pole.

Price: \$85. Delivery: 4 to 5 wk.

Ratcliff Hoist Co., P. O. Box 543, Belmont, Calif. (PW, 7/25/60)



Tool Holder

Gives Precision

Tool holder gives positive adjustment of finer finish cuts to 50 millionths of an inch, and may be used on chucking machines, jig borers, screw machines, and milling machines. The shank of the device accommodates ⅛-in. to ⅝-in. round shank tools.

Price: \$64.50. Delivery: immediate.

Hardinge Brothers, Inc., 1934 Anderson St., Elmira, N. Y. (PW, 7/25/60)



Amplifier

Boosts AC

Compact, transistorized a-c amplifier has a maximum output voltage of 1.5 v. across 1,500 ohms, and an input impedance of 1 megohm. The amplifier boosts oscilloscope or voltmeter sensitivity by a factor of 10 or 100. The unit accepts either a-c power supply or battery current.

Price: \$150. Delivery: 6 wk.

Hewlett-Packard Co., 1501 Page Mill Rd., Palo Alto, Calif. (PW, 7/25/60)



Sign Standard

Is Compact

Sign standard of welded angle iron holds signs of various shapes and sizes. The release of a locking device disassembles the unit from its working position to a storage thickness of 1 in. In use, the unit requires under 6 ft. of ground space.

Price: \$8.28 each (in lots of 10). Delivery: immediate.

G. D. Bavin Co., 2500 W. 6th St. Bldg., Los Angeles 57, Calif. (PW, 7/25/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



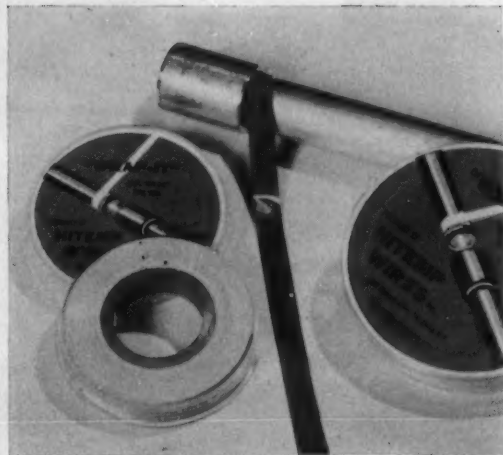
Applicator

Makes Cleaning Easier

Applicator has 11½-in. plastic handle that holds a half-pint of liquid cleaner—enough to cover about 110 sq. ft. of hard-surface material. A circular brush surrounds the replaceable sponge head, which is 5 in. in diameter. A light finger pressure serves to pump fluid from handle to head.

Price: \$2.98. Delivery: immediate.

E. R. Wagner Mfg. Co., 4611 N. 32 St., Milwaukee 9, Wis. (PW, 7/25/60)



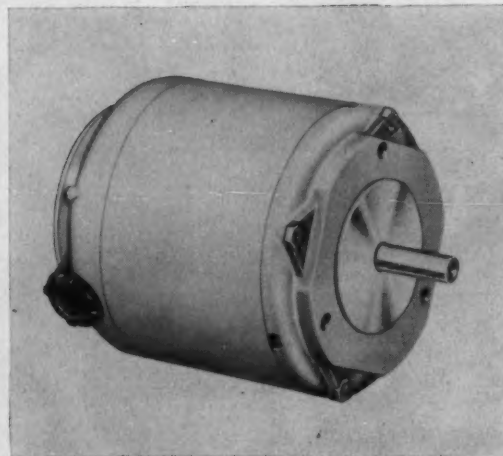
Tape

Seals Pipe Joints

Teflon tape dry-seals threaded pipe joints and cable connectors. The tape works on a variety of materials, including steel, iron, brass, plastic, aluminum, and synthetic rubber. It is available in 10 colors, in ½-in. and ¾-in. widths.

Price: \$3.65 (½ in.) and \$4.56 (¾ in.) each, 25 yd. rolls. Delivery: immediate.

Hitemp Wires, Inc., 1200 Shames Dr., Westbury, N. Y. (PW, 7/25/60)



Synchronous Motor

Is Heavy-Duty

Permanent magnet-type synchronous motor has a torque rating of 250 (in.-oz.) and provides a constant speed of 72 rpm. It is recommended for use as a prime mover to control valves, machine tool carriages, and other automatic and semiautomatic functions.

Price: \$65. Delivery: immediate.

Superior Electric Co., Dept. SS, 385 Laurel St., Bristol, Conn. (PW, 7/25/60)



Pallet Box

Assembles Quickly

Hardwood pallet box has wireless side panels joined by corner hinges, and knocks down or assembles quickly with just a screwdriver. Boxes are designed to meet a variety of load sizes and specifications, and are said to be relatively unaffected by weather when used outdoors.

Price: approx. \$15 (4x4x4 ft.). Delivery: approx. 3 wk.

General Box Co., 1825 Miner St., Des Plaines, Ill. (PW, 7/25/60)

This Week's

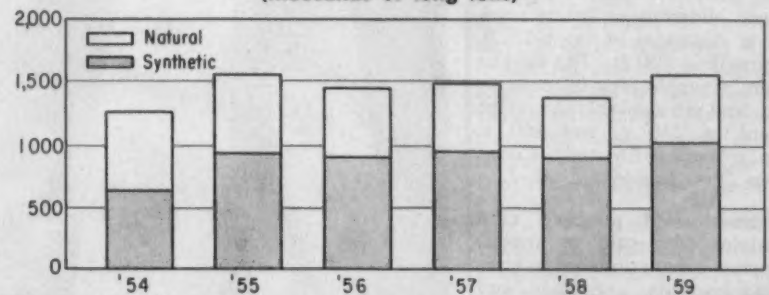
Product Perspective

JULY 25-31

• Every major rubber supplier now has a "natural synthetic" plant under construction or on the drawing boards. These "naturals" aren't touted as better replacements for synthetics now on the market—they're aiming to capture the markets still held by plantation rubbers.

Although the synthetics have been increasing their penetration of the

U. S. RUBBER CONSUMPTION (thousands of long tons)



rubber market (as the chart above shows)—there have been some jobs that the synthetics couldn't do. Insufficient heat resistance has ruled out heavy-duty truck and aircraft tires.

• There are two good reasons why the natural synthetics may capture a substantial part of the natural rubber market: price and quality. The synthetics are currently selling for less (35¢ as opposed to 42.8¢) and, what's more important, they offer a stable price picture. Plantation prices vary all over the lot—depending on world demand, crop situations, and a host of other factors. These fluctuations are a constant source of irritation to users who have to reflect raw material prices in their inventories and finished goods.

Since the synthetics are made in a plant by a controlled chemical process, their quality is usually much more uniform than that of plantation rubber (which is inevitably a mixture from different trees or plantations). Natural rubber comes in many grades depending on uniformity, color, and contamination.

• Large truck and aircraft tires have been the biggest natural rubber user. In contrast to passenger car tires, which have switched almost entirely to synthetics, heavy-duty tire makers have been forced to go along with the natural product no matter what the price. But this may soon be changed. U. S. Rubber is now producing truck tires made from the new natural synthetics, and other producers are expected to make similar moves when sufficient quantities of the new synthetics become available.

The footwear industry—which uses an expensive-grade plantation rubber—is expected to provide another ready market.

• New natural synthetics are of two types—polyisoprene and polybutadiene. Both types have similar properties, and even industry experts seem uncertain as to which product will win most popular acceptance. Polyisoprene is closest chemically to the tree-grown variety, but polybutadiene, when added to natural rubber, imparts superior properties that cannot be obtained in either the regular synthetic or natural. Many of the facilities under construction can produce either type and the operators will shift production to meet demand if necessary.

Here's how the race to get into production is shaping up:

• Shell Chemical Co. has been producing polyisoprene in small-scale production—about five tons a day, with most of the output going to U. S. Rubber. Evaluation samples have been sent to many other potential users. Shell's new plant (18,000 long tons/yr.) at Torrance, Calif., will be completed this fall, and the company expects to be operating a 40,000-ton plant next year.

• Polymer Corp. is putting the finishing touches on pilot plant work on a cis-1:4 polybutadiene installation and expects to begin full-scale production shortly.

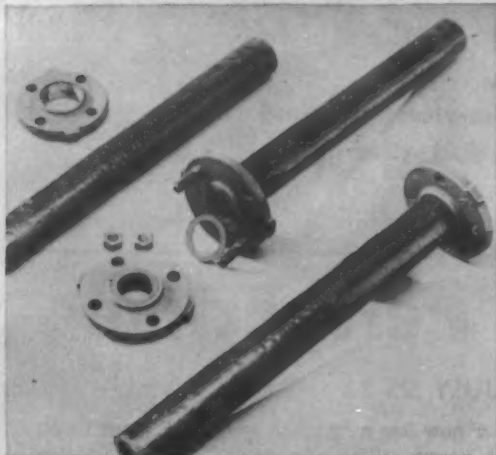
• Phillips brand-new cis-polybutadiene facilities (20,000 long-tons/yr.) are expected to enter the picture around the end of this year—with first shipments coming early in '61. Phillips has also developed a new trans-polybutadiene rubber that is expected to compete with natural rubber now used in golf ball covers.

• Firestone's synthetic natural rubber plant is also scheduled for completion later this year. The polybutadiene installation (30,000 long-tons/yr.) can swing over to polyisoprene if demand develops.

• Goodrich-Gulf is scheduling a 25,000-ton/yr. plant able to handle both natural synthetics for late '61 operation.

• Goodyear Tire will go into commercial production with a plant designed to handle both rubbers. Completion date for the 30,000-ton/yr. installation is set around mid-'61.

• American Rubber and Chemical Co. will make both rubbers in a new 30,000 ton/yr. plant scheduled for late 1961 completion.



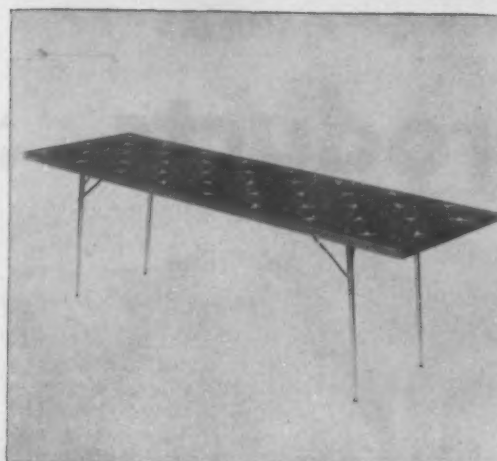
Plastic Pipe

Resists Corrosion

Reinforced furnace plastic pipe carries hot corrosive liquids and gases at temperatures up to 300F, at pressures up to 150 psig. Pipe may be sanitized by steam or chemical sterilization, and it withstands weathering.

Price: \$3.45 to \$15.40 per ft. (wall thicknesses, $\frac{1}{8}$ to $\frac{1}{2}$ in., 2 to 12 in. I. D.) Delivery: immediate.

Cornelius A. Rauh & Associates, Inc., 1191 Sunset View Dr., Akron 13, O. (PW, 7/25/60)



Table

Stores Easily

Large table has formica top and backing and is constructed of kraft paper honeycomb core. The unit has recessed areas for the storage of its folding legs. When not in use, tables may be stacked one on top of another to conserve storage space.

Price: \$46.50 to \$76. Delivery: 2 wk.

Dynell Mfg. Co., Inc., 3431 W. Vickery, Fort Worth, Tex. (PW, 7/25/60)

Product Briefs

Readout lamps for computers, status boards, or indicator panels provide numerals or letters readable at distances of from 25 ft. to more than 100 ft. The devices feature a simple plug-in arrangement, and are available in voltage designs of 240 v. and 460 v. *Westinghouse Electric Corp., Lamp Div., Bloomfield, N. J.*

Transistorized punched card calculator (for sale or rental) performs calculations at microsecond speeds, reading and punching cards at a basic rate of 200 cards per min. The unit is compact and requires neither special power lines nor air conditioning. The calculator features 16 program steps. Others may be added in increments of 16, up to a maximum of 64. *International Business Machines Corp., Data Processing Div., 112 E. Post Rd., White Plains, N. Y.*

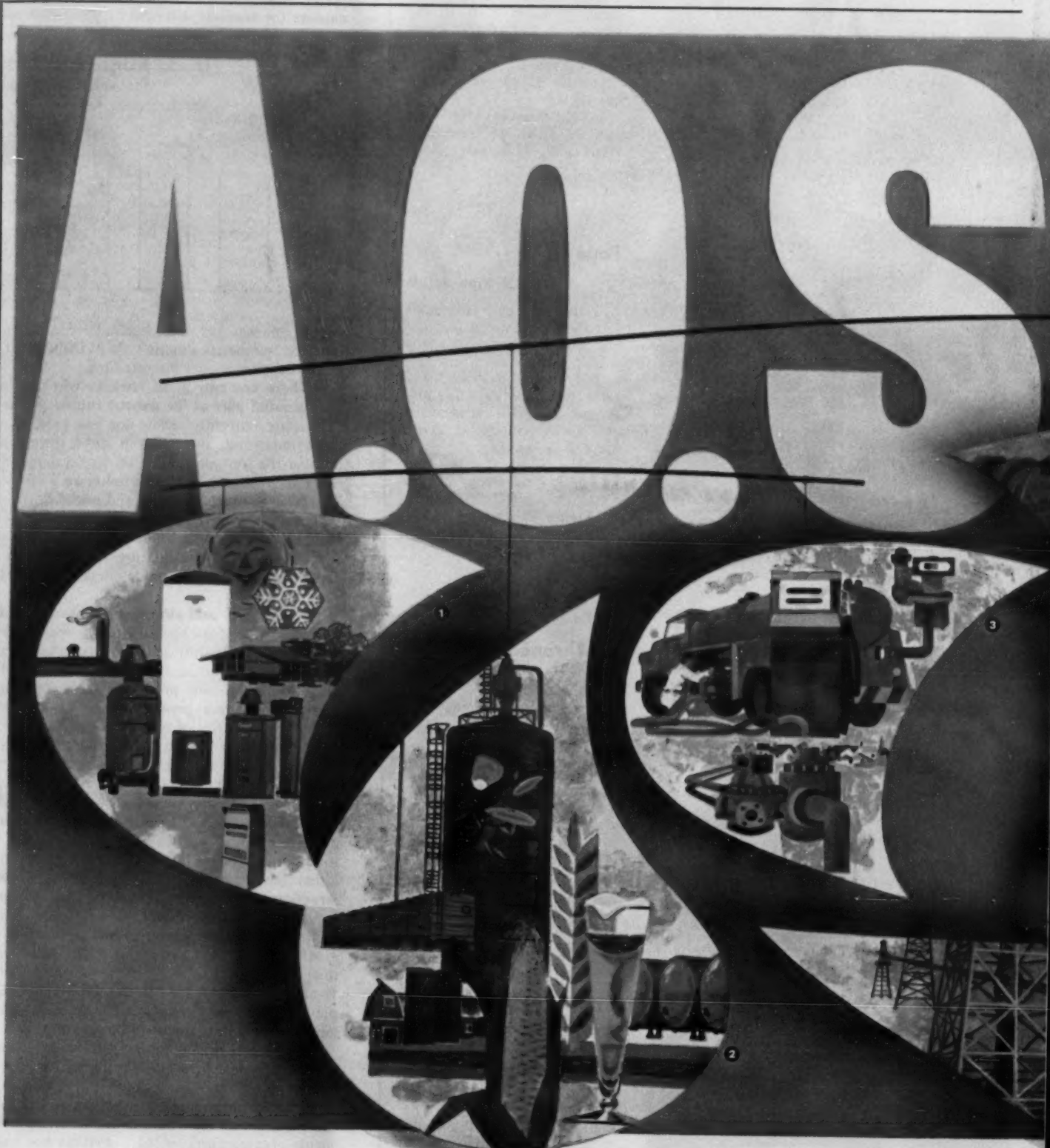
Automatic milling machine yields production milling rates as high as 6,000 parts per hr. The unit maintains tolerances of plus or minus .001 in. in milling electronic components as small as .050 in. x $\frac{1}{4}$ in., or in milling tool bits as large as 1 in. sq. *Baird Machine Co., 1700 Stratford Ave., Stratford, Conn.*

Machine mount of high-density fiberglass isolates vibration. Available in sizes to handle loads of up to 8,000 lb., the device permits the nonpermanent installation of vibration-producing machinery for the best work flow. *Consolidated Kinetics Corp., 1065 Dublin Rd., Columbus 12, Ohio.*

Automatic lighting and power unit runs electrical equipment in an emergency. Recommended for loads with power factors greater than 70%, the device takes less than a second to begin operating equipment after a power line failure. *American Television & Radio Co., 300 E. 4 St., St. Paul 1, Minn.*

Stainless steel immersible transducer for ultrasonic cleaning fits into tanks now used in degreasing and cleaning operations. The device features low voltage requirements. It runs at 22 kc. for the highest cleaning efficiency and the minimum noise level. *Harris Transducer Corp., Ultrasonic Dept., Woodbury, Conn.*

Asbestos safety clothing sheds molten metal at 3000F without deteriorating. The garments are light in weight and reflect approximately 50% of radiant heat. *American Optical Co., Southbridge, Mass.*



Balance and mobility

... the growth-planning that guides this corporation. Long ago the men of A. O. Smith realized that for a corporation to "just grow" means it will probably not grow to its fullest potential. Thus, in developing itself, as well as in developing its products, A. O. Smith persistently seeks "a better way" ... speed of growth with strength, diversification with direction, progress with a purpose.

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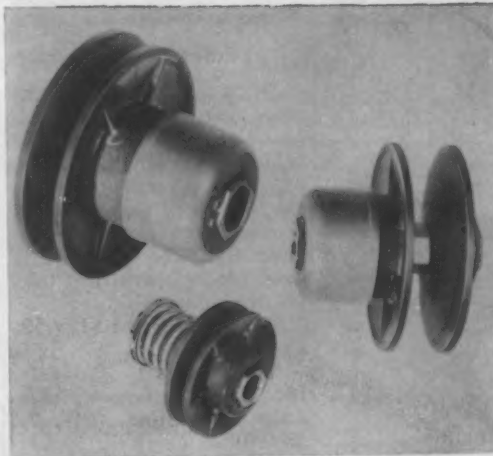
Lubricant Stick

Prolongs Cutting Life

Stick applies lubricating film to cutting and shaping tools or sliding areas of small and medium size machine parts to prolong cutting tool life. The stick contains molybdenum disulfide dry lubricant, and may double the life of a cutting tool.

Price: \$7 (box of 5) or \$13 (box of 10). Delivery: immediate.

Alpha-Molykote Corp., 65 Harvard Ave., Stamford, Conn. (PW, 7/25/60)



Pulleys

Are Fiberglass

Spring-loaded variable pitch pulleys for 1/4 in., 3/8 in., and 1/2 in. top-width V-belts in drive assemblies and control equipment provide adjustable speed control within a range of 2.45 to 1. The pulleys, of nylon-impregnated fiberglass, come in sizes from 1 7/8 to 3 3/4 in. O.D.

Price: \$4.35. Delivery: immediate.

Rampe Mfg. Co., 14915 Woodworth Ave., Cleveland 10, O. (PW, 7/25/60)

Product Briefs

Chlorinated polyether compound for vessel lining applications is available in extruded sheet .040 in. thick and 21 in. wide. The material is highly resistant to corrosives, bleaching agents, solvents, and plating solutions, and is serviceable at temperatures up to 280F. *Garlock, Inc., Plastics Div., 602 N. 10 St., Camden 1, N. J.*

Control panel equipment for steel mills conserves floor space and provides wider maintenance aisles for greater personnel safety, as well as simpler maintenance and installation. The unit features front-panel adjustment of all control relays and regulating circuits. *General Electric Co., Schenectady 5, N. Y.*

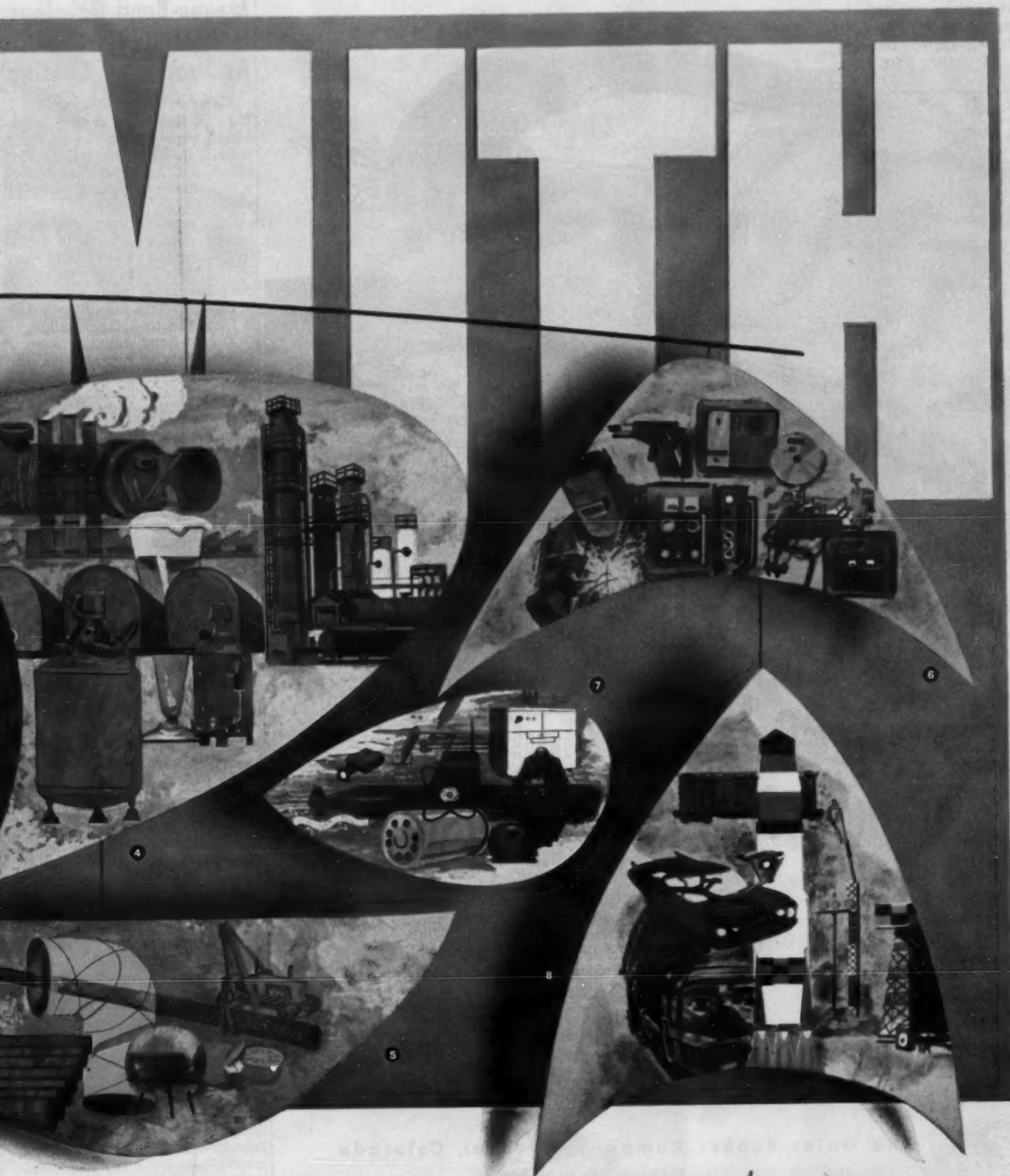
Plastic blister packaging machine will make blisters as large as 10 in. x 13 in. x 3 in. The device seals one package while the operator loads another one for processing. Power needs are ordinary house current and a small amount of compressed air. *Erdco Engineering Corp., Addison, Ill.*

Centrifugal pumps handle flows up to 10 gpm and shut off pressures to 70 psi. Mechanical seals are available for lubricating, cooling, quenching, and flushing. The 2- and 3-stage pumps find applications in processing corrosive solutions and concentrated acids. *Eastern Industries, Inc., 100 Skiff St., Hamden 14, Conn.*

Dry box maintains dust-free and humidity-free conditions in inert gases or room air for the protected handling of sensitive components and assemblies. The design of the cabinet provides high visibility and easy positioning of workpieces. *Air-Shields, Inc., Hatboro, Pa.*

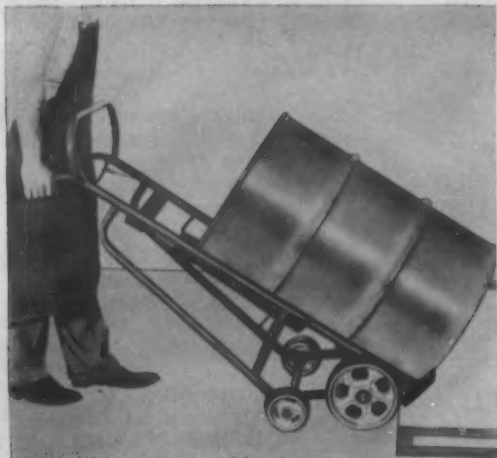
Ultrasonic seam welder for aluminum foil and other thin metals can work in a system using one generator to serve several welding heads. The welder is recommended for foil manufacture and conversion, packaging, and the winding of foil condensers and transformers. *International Ultrasonics, Inc., 1697 Elizabeth Ave., Rahway, N. J.*

Electronic adjustment device automatically compensates for buff or wheel wear in volume-production finishing operations. Easily installed on polishing machines, the device features a special control panel where limits of operation are set on easy-to-read dials. *Packer Machine Co., 456 Center St., Meriden, Conn.*



1. **RESIDENTIAL AND COMMERCIAL PRODUCTS** . . . glass-lined water heaters, water conditioners, furnaces and boilers, commercial water heaters
2. **STORAGE** . . . glass-protected, sealed systems for agriculture and industry, glass-lined tanks for breweries
3. **MEASURING** . . . truck and industrial meters, tank truck hydraulic fittings, valves, bulk, line and high-pressure meters, gasoline-dispensing pumps
4. **PROCESSING** . . . solid-wall, alloy-lined and multi-layer pressure vessels, heat exchangers, feed water heaters, glass-protected steel smokestacks, brewery fermenting tanks, glass-lined chemical processing equipment
5. **PIPING** . . . oil well casing, line pipe, reinforced plastic pipe, glass-lined pipe and fittings
6. **FABRICATING** . . . manual and automatic welding equipment, machines and welding electrodes
7. **POWER** . . . d-c sources, nuclear reactor components, electric motors, powdered iron electrical components
8. **TRANSPORTATION** . . . aircraft and missile parts, automotive components, railroad car components

Through research . . . a better way
A.O. Smith
 Milwaukee 1, Wisconsin
 A. O. Smith International S. A.
 Milwaukee 1, Wisconsin, U.S.A.



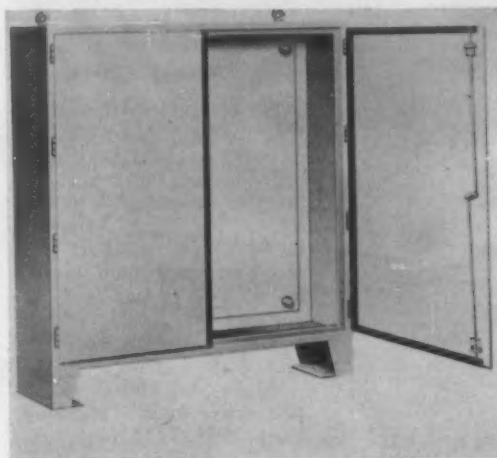
Barrel Truck

Eases Drum Handling

Drum and barrel truck enables one operator to place heavy drums on pallets. The vehicle is available with two-wheel safety brakes to reduce the hazards of moving heavy drums down ramps. The main frame of the truck is available in heavy steel tubing or aluminum.

Price: \$84.50 to \$119.50. Delivery: 1 wk.

Valley Craft Products, Inc., 770 Jefferson Ave., Lake City, Minn. (PW, 7/25/60)



Enclosures

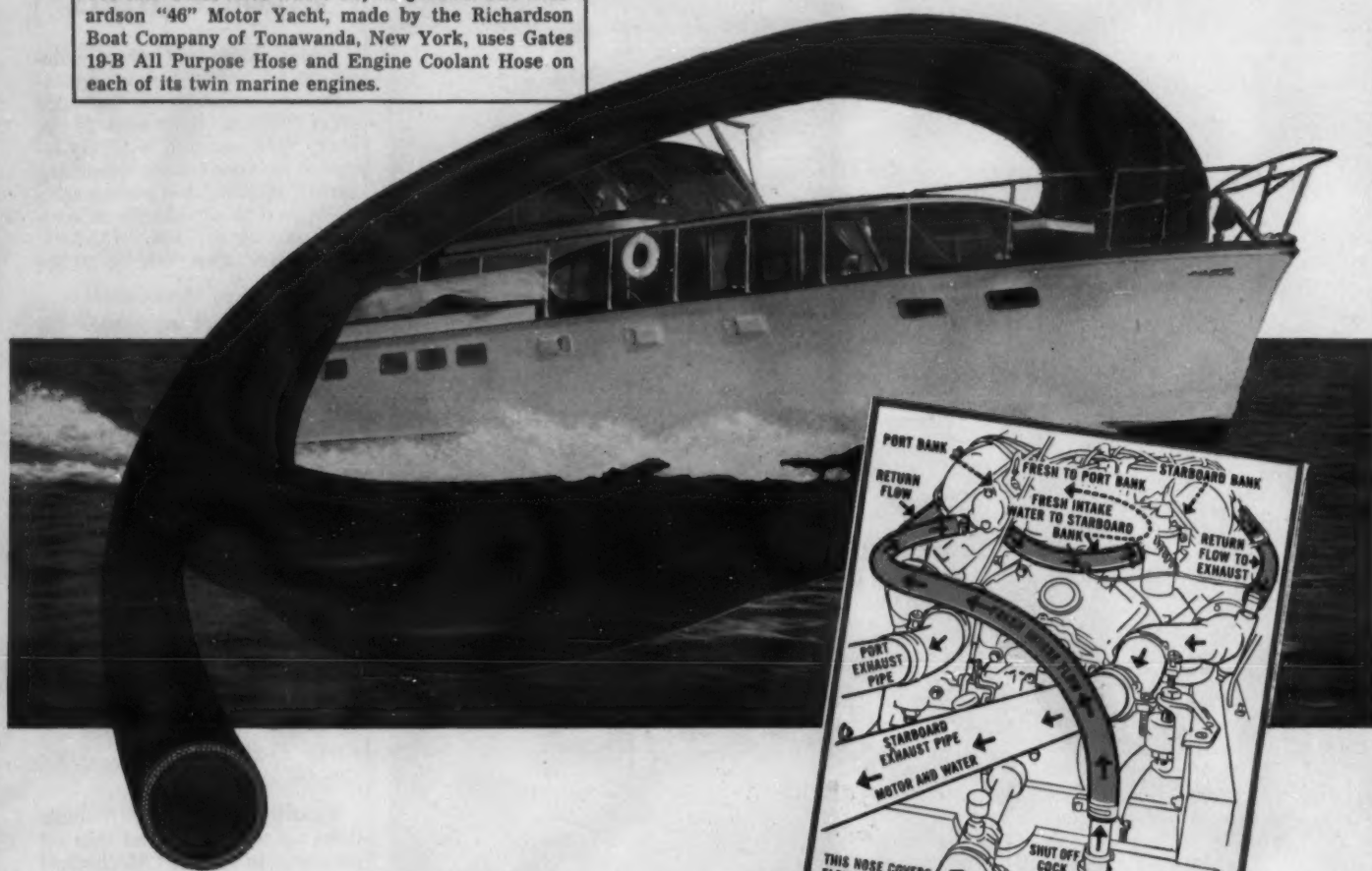
House Electrical Control

Panel enclosures house electrical controls and serve as terminal boxes and instrument enclosures for machine tool wiring. The devices have 15-in. floor stands and vault-type hardware handle assemblies for padlocks. Standard size range from 16 in. x 12 in. x 6 in. to 72 in. x 60 in. x 12 in.

Price: \$43.10 to \$472.50. Delivery: immediate.

Keystone Mfg. Co., Warren, Mich. (PW, 7/25/60)

You find Gates Hose where anything flows. The Richardson "46" Motor Yacht, made by the Richardson Boat Company of Tonawanda, New York, uses Gates 19-B All Purpose Hose and Engine Coolant Hose on each of its twin marine engines.



Dependable Gates Hose makes for "cool" cruising

Whether it's for air, water, steam, oil or suction, there is a Gates Hose of the right type and size for the continued safe performance of all types of equipment—at sea, on land, or in the air.

Back of the world-wide acceptance of Gates Hose is a continuing program of specialized hose research at the multi-million dollar Gates Research Center. The aim of this program is to broaden the usefulness and lengthen the life of hose for all industries.

Distributors of Gates Industrial Hose are listed in the Yellow Pages of phone books in all major industrial centers. Performance of this product is guaranteed by the World's Largest Maker of V-Belts.

Gates Type 19-B Hose carries air, water, coolants, oils, greases, gasoline, kerosene, or solvents. This popular hose—one of many in Gates full line—is always available from your nearby Gates Distributor.

The Mark of Specialized Research



The Gates Rubber Company • Denver, Colorado

Gates Rubber of Canada Ltd., Brantford, Ontario

TPA 471

Gates Industrial Hose

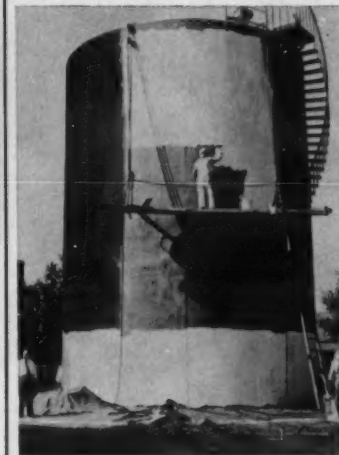
Made in a Full Range of Types and Sizes

Magna-Bond Develops Heavy-Duty Vinyl for Use As Protective Coating

Camden, N. J.—Magna-Bond, Inc., is marketing a new vinyl-metallic protective coating for wood, metal, concrete, cinder block, and fiberglass that it says will outlast conventional coating systems.

The coatings are vinyl-resin formulations blended with atomized aluminum fillers and pigments. They can be applied by brush, spray, or trowel to form a hard, nonporous film. Price range is from \$18 to \$30 per gallon.

Magna-Bond coatings have a wide variety of applications, the company says. They can be used



VINYL-ALUMINUM COATING is used to protect tanks, vats, and trucks.

to restore rotted floors, walls, doors and window sills; protect brick walls and duct work of acid tinning rooms, repair and protect buried and above-ground pipelines, and coat wooden patterns and molds.

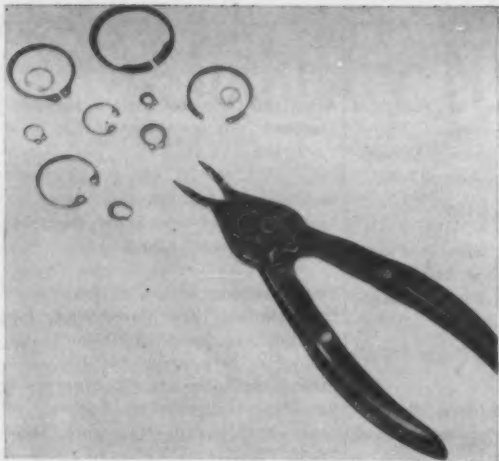
The Magna-Bond line includes:

- **Brush or Spray.** A heavy-duty, vinyl-atomized aluminum coating for surfaces subject to extreme abrasion, impact, and other mechanical damage. It dries to a metal-like film that won't chip or crack—even when struck by a sledge hammer. When buffed, the product has the sheen and feel of aluminum.

- **Putty S.** A metallic-vinyl patching and repair compound designed to repair damage from corrosion, erosion, or mechanical breaks. It can be machined, sanded, ground, or drilled.

- **Putty X.** Similar to Putty S, but designed for use on wood.

- **Decorative H/C.** A pigmented vinyl formulation that is said to be exceptionally resistant to sunlight, weather, and a wide variety of paint-destroying chemicals. It can be applied by spray, brush, or roller, and needs no baking.



Field Pliers

Are Adaptable

Field pliers adapt, through adjustment of pivot pin, to compress internal-type rings for insertion into bore or housing, or to expand external-type rings for assembly over a shaft. The pliers can perform maintenance, repair, or small production tasks.

Price: \$3.50 (for .125 in. to 1.375 in. rings) or \$3.90 (for .434 in. to 2 in. rings). Delivery: immediate.

Waldes Kohinoor, Inc., 47-16 Austel Pl., Long Island City 1, N. Y. (PW, 7/25/60)

Purchasing Week Definition

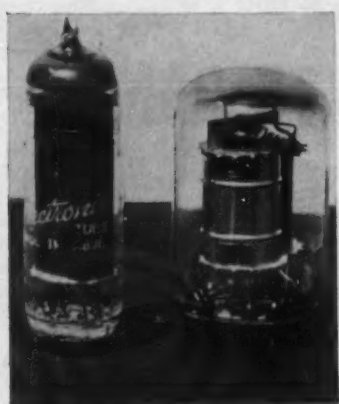
Tensile Strength (Part II)

Here are the tensile strengths, in thousands of pounds per square in. (kpsi.), of other common metals:

Structural steel, ordinary	50- 65
Low alloy, high strength	65- 90
Steel, SAE 1300, annealed	70
Quenched, drawn 1300F	100
Drawn 1000F	130
Drawn 700F	200
Drawn 400F	240
Steel, SAE 4340, annealed	80
Quenched, drawn 1300F	130
Drawn 1000F	190
Drawn 700F	240
Drawn 400F	290

Cold-rolled steel, SAE 1112	84
Stainless steel, 18-8	85- 95
Steel castings, heat-treated	60-125
Phosphor bronze	40-130
Tobin bronze, rolled	63
Magnesium alloys, various	21- 45
Monel metal, 70Ni, 30Cu	100
Molybdenum, arc-cast	97
Zirconium, crystal bar	24- 43
Titanium (99.0 Ti), annealed bar	95
Aluminum-copper alloys, cast	19- 23
Aluminum die castings	30

(PW, 7/25/60)



COMPACTRON (right) replaces several conventional tubes.

New Vacuum Tube Called Compactron Is Designed by GE

Owensboro, Ky. — General Electric has developed a new type of miniature vacuum tube that can do the work of several conventional tubes. The device, called a Compactron, will allow equipment manufacturers to make substantial size reductions in radio, TV, hi fi, and the like.

The new tube combines the "insides" of two or more 7- or 9-pin tubes into a single glass envelope with a 12-pin base. Models are about 1½ in. in dia. and vary in seated height from 1 in. to 2¾ in.

W. F. Greenwood, marketing manager of GE's electronic component department, stated that prices haven't been established yet for Compactrons, but that "savings in material and labor eventually would make possible an estimated 20% lower price per function than vacuum tubes and considerably lower than transistors."

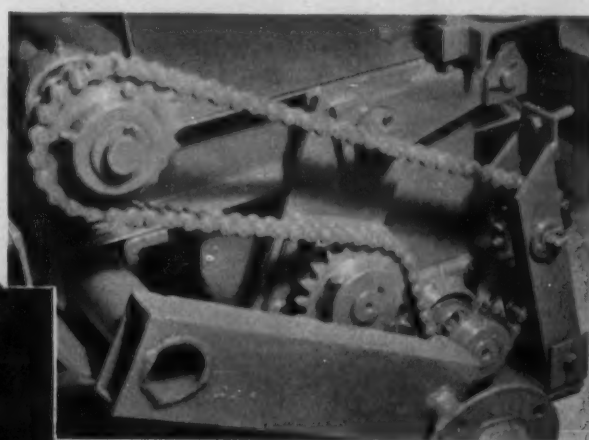
Six Compactron units are currently in development, with 12 more planned for next year. Evaluation samples are available to original equipment makers.

Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can use this PURCHASING WEEK service at any time.

"Can you tell us where we can purchase large forgings, 10 lb. and over, produced by the Cold-Flow process?"

V. H. Gordon
Manager of Purchases
The Thew Shovel Co.
Lorain, Ohio



FORMER DRIVE: The high speed operation of Gehl's Cure-All Hay Conditioner caused failure of the roller chain drive.

PRESENT DRIVE: Both the limited space and high speed requirements were met with this Gates Super HC V-Belt Drive.

Gehl Brothers Manufacturing Company Finds

Super HC V-Belt Drive handles speeds chain drive couldn't take!

Roller chain drives on Gehl's Cure-All Hay Conditioners "would not stand up under the speed of operation." Yet conventional V-belts that would fit into the space available could not handle the working load for this outstanding line of forage harvesting equipment.

The design problem remained a tough one until the introduction of the Gates Super HC High Capacity V-Belt early last year. Then the Gates Field Engineer, working closely with Gehl Engineers designed the new drive shown above.

"The Super HC V-Belt Drive has eliminated need for shear pins and clutches, has increased efficiency,

and lowered maintenance costs," is the pleased report from Gehl personnel.

Take advantage of Super HC on your equipment

Whenever you have a drive change on a new model or are replacing belts or sheaves, let your Gates Representative show you how Super HC Drives can reduce sheave diameters 30% to 50%, drive space up to 50%, drive weight and cost as much as 20%.

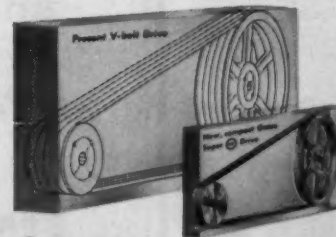
A handbook, "The Modern Way to Design Multiple V-Belt Drives," is yours for the asking. Simply contact your Gates Representative listed in the Yellow Pages.

TPA 505

The Gates Rubber Company, Denver, Colorado
Gates Rubber of Canada Ltd., Brantford, Ontario



World's Largest Maker of V-Belts



Gates Super V-Belt Drives same hp capacity in smaller "package"

POLYPENCO® MC Nylon Another Polymer **FIRST!**



Outstanding new bearing material costs up to 50% less than standard nylon

Tubular bars of MC Nylon—newest product of continuing Polymer research—are now selling at prices up to 50% below standard nylon. MC Nylon provides new design opportunities and fabricating economies to makers and users of large bronze bushings. In tubular bars, the specially formulated bearing material costs less than quality bronze bushings of similar size. It has standard nylon's desirable physical properties with improved wear characteristics and resistance to deformation under load verified by field tests.

TUBULAR BAR STOCK SIZES

MC Nylon tubular bars, the first standard availability in MC Nylon, are made in outside diameters ranging from 2" to 15". Wall thicknesses of $\frac{3}{8}$ ", $\frac{1}{2}$ ", $\frac{3}{4}$ " and 1" are standard with wall thicknesses up to 2" made to order. Standard lengths up to 13'.



ROD AND SLAB

Rod up to 17" in diameter, and slab from 1 to 5 inches thick in sections of 2 ft. x 3 ft. are available on special request. Other symmetrical shapes—produced with new economy—and in larger sizes than heretofore produced—are under development.

Call or write today for full information.

See MC Nylon in Polymer Booth #1513
Design Engineering Show
May 23-26
Coliseum, New York City



THE POLYMER CORPORATION OF PENNA.

Reading, Pa.
Export: Polypenco, Inc., Reading, Pa., U.S.A.

Meetings You May Want to Attend

First Listing

International Aviation & Air Industries Exposition—Waldorf-Astoria Hotel, New York, Sept. 8-20.

National Association of Oil Equipment Jobbers—Annual meeting & trade show, Sheraton-Jefferson Hotel, St. Louis, Oct. 16-18.

Fleet Maintenance Exposition—Private Truck Council of America, Inc., Coliseum, New York, Oct. 24-27.

Previously Listed

AUGUST

Fourth National Heat Transfer Conference and Exhibit—Statler Hotel, Buffalo, N. Y., Aug. 14-17.

Public Works Congress & Equipment Show—Coliseum, New York, Aug. 14-17.

Western Electronics Show and Convention—Ambassador Hotel & Memorial Sports Arena, Los Angeles, Aug. 23-26.

National Association of Furniture Manufacturers Convention—Equipment and Fabric Show, Conrad-Hilton Hotel, Chicago, Aug. 27-30.

SEPTEMBER

Machine Tool Exposition—National Machine Tool Builders Association, International Amphitheatre, Chicago, Sept. 6-16.

Production Engineering Show—Navy Pier, Chicago, Sept. 6-16.

2nd Coliseum Machinery Show—Chicago Coliseum, Chicago, Sept. 7-15.

American Chemical Society, National Meeting—Statler Hilton Hotel, New York, Sept. 11-16.

Institute of Surplus Dealers—14th Trade Show, Trade Show Building, New York, Sept. 18-20.

Steel Founders Society of America—Fall meeting, The Homestead, Hot Springs, Va., Sept. 18-20.

Instrument-Automation Conference & Exhibit—Instrument Society of America, Coliseum, New York, Sept. 26-30.

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provide maximum service life at lowest possible cost. Widely used by major material handling, caster, wheel and farm equipment manufacturers. Write for Catalog and Specification sheets today.



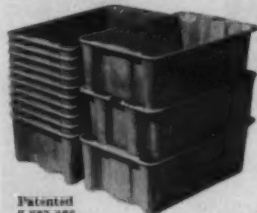
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9155 King Street • Franklin Park, Illinois
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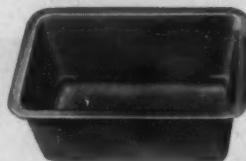
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STRONG

One-piece fiberglass molded construction; can't rust, rot, dent or bend. Stack-n-Nest® pans handle up to 3000 lbs. safe static load. Available in 8 sizes, three attractive molded-in colors.



Patented
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LIGHTWEIGHT

Lighter than an aluminum pan of the same size, these general purpose Lewis fiberglass pans handle bigger payloads with less effort.

... versatile

This Stack-n-Nest® truck is only one of the many different Lewis containers, each designed for a variety of handling operations. There are trays, pans, boxes, and trucks to fit all your handling requirements.



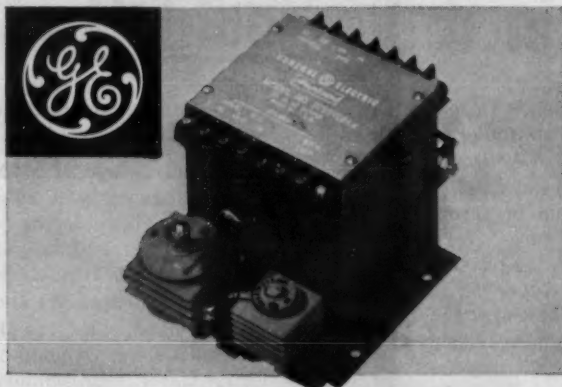
SEND FOR THE **BIG** LEWIS CONTAINER CATALOG TODAY

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147 MONTGOMERY STREET • WATERTOWN, WIS.



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Amplistat transformers—self-saturating magnetic amplifiers—are designed for use in a wide range of control and instrumentation systems. Standard, high-gain units are available for general-purpose applications, static control systems, temperature control, and motor speed control. Amplistat reactors are also available for use with separate rectifiers.

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For more information, request publications GEA's 6723 and 6930. General Electric Co., Section 413-04, Schenectady 5, N. Y.

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SPECIAL RIVETS

like some of the samples shown here... or the more commonly used tubular and split rivets... they're all alike to the American Rivet Co. And always—our own special brand of quality and service that gets you what you want when you want it.

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Write for price list. For specials, send specifications for prices.

BUY AMERICAN Tubular and Split RIVETS

Industry News in Brief

Moore Expands

Niagara Falls, N. Y.—Moore Business Forms, Inc., plans a \$1-million expansion to keep pace with the growing need for clerical materials.

The firm will build a new plant in Charleston, Ill., its first in that state. Construction is scheduled to begin this summer and completion is planned for early next year.

The company is building Central Division executive offices in Park Ridge, Ill. The new plant will serve midwestern states and is a replacement of a plant destroyed by fire at Kahoka, Mo. last April.

Firm Shifts Output

Los Angeles—Bridgeport Brass Co. will begin a \$5-million expansion of its facilities at Riverside, Calif., despite recent termination of a number of missile contracts, including the Zuni and Sidewinder. Expansion of the Riverside plant will involve a transition from defense to commercial production.

AviSun Picks Plant Site

Marcus Hook, Pa.—AviSun Corp. has chosen New Castle, Del. as the site of its new multi-million pound-per-year polypropylene plant.

The plant will be adjacent to the firm's present film and fiber plant on a 214-acre industrial site. Polypropylene from the new plant will supply chief raw material for the film and fiber operations.

The firm also has an option to purchase facilities at Port Reading, N.J., which could provide an additional 50-million lb. per year capacity in addition to the proposed 100-million lb. annual capacity at the Delaware site.

Firm Buys 25% Interest

Dallas—Continental Oil Co. has bought a 25% interest in Carlon Products Corp., Aurora, Ohio, a leading producer of plastic pipe.

Continental has been concentrating heavily on plastic pipe and sees a big market for it in the oil and petrochemical industry. It is now completing a plastics evaluation laboratory at its Ponca City, Okla., refinery.

M&T Expands Lab

Detroit—Metal & Thermit Corp. has expanded its laboratory facilities for handling electroplating technical problems.

In addition to new analytical equipment, the staff at the field laboratory has been increased.

Gilman to Modernize

New York—Gilman Paper Co. will expand and modernize paper mills at St. Marys, Ga. and Gilman, Vt.

In a multimillion modernization, the firm will add a 236-in. Beloit Paper Machine to its southern division, St. Marys Kraft Corp., for the production of light to heavy unbleached kraft papers in speeds up to 2,000 ft per minute.

The machine will be designed to manufacture liner board and

bleached food board, for future expansion.

The expansion will allow the transfer of some kraft specialty grades now being made in Vermont to Georgia, and their replacement with higher grade specialties in the bleached and unbleached paper field.

In Vermont, the company will rebuild No. 2 machine to speed up production and overhaul auxiliary equipment. A new stock preparation system will also be included in the mill modernization.

New Manganese Plant

Philadelphia—Foote Mineral Co. plans to build a \$6-million electrolytic manganese plant at New Johnsonville, Tenn., with a capacity of 20-million lb. per year.

According to company spokesman, the additional capacity is being developed in anticipation of increased use both here and abroad. Manganese is used in the production of stainless, specialty, and mild steels and in non-ferrous alloys.

Dixon Going South

Bristol, R. I.—Dixon Corp., new owner of the machine shop facilities of the Southern Spindle and Flyer Co. in Charlotte, plans to leave New England in the next two years and consolidate operations in the Carolinas.

Dixon manufactures spinning drafting equipment. The firm's sales offices and plastics division will remain in Rhode Island.

Construction Started

Rochester—Construction has started in Kingsport, Tenn., of new quarters for the sales and prod-

uct development laboratories of the Chemicals Division of Eastman Chemical Products, Inc., subsidiary of Eastman Kodak Co.

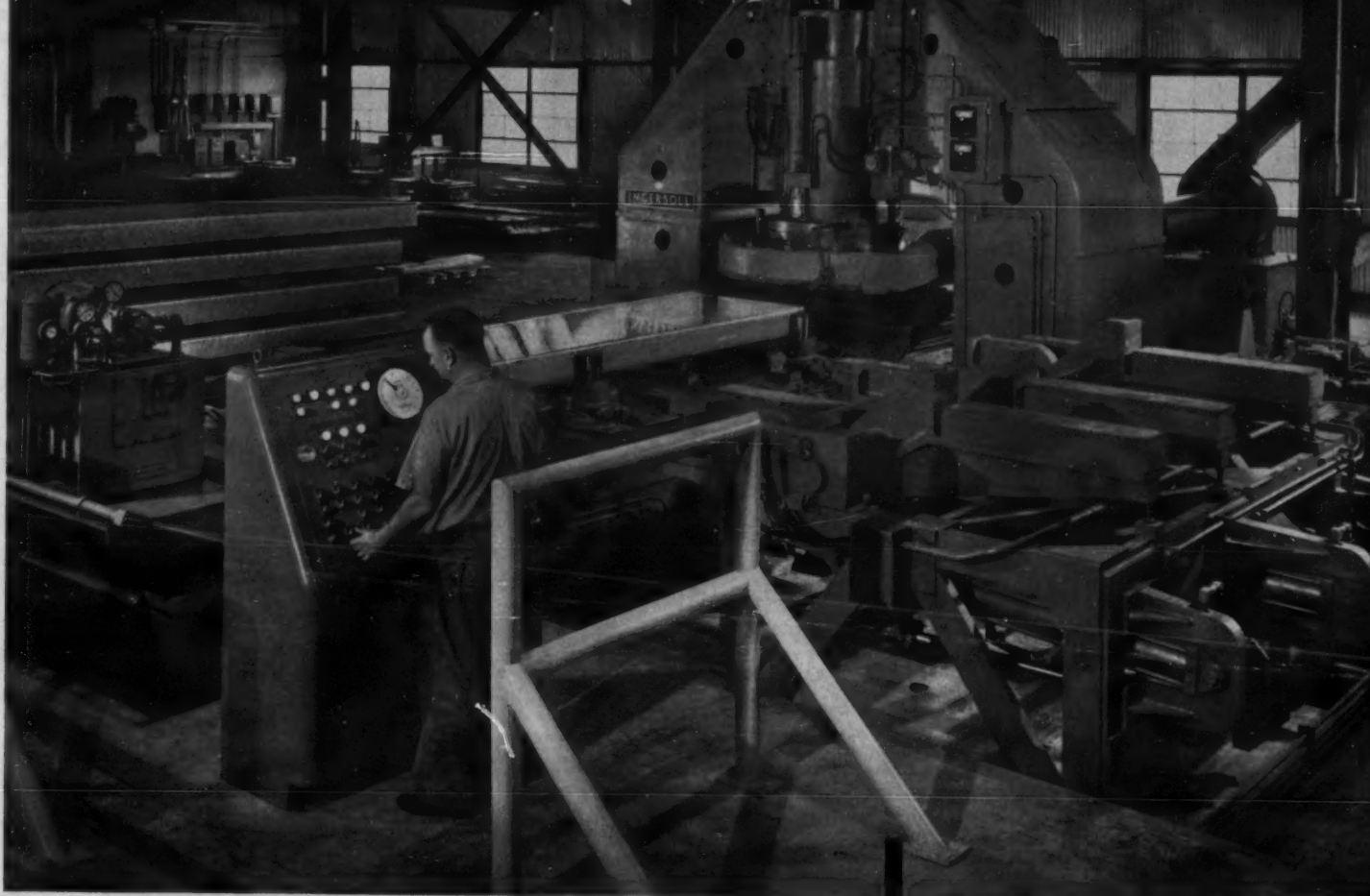
Firm Plans New Plant

Los Angeles—American Potash & Chemical Corp. plans to build a \$5-million electrolytic manganese metal manufacturing plant at Aberdeen, Miss.

The new facility will be located adjacent to the company's sodium chlorate plant currently being expanded, and will have an initial capacity of 10-million lb. annually.

MODERN EQUIPMENT PRODUCES

Quality Aluminum



THIS new INGERSOLL scalping machine is another important step in QSM's production of quality aluminum sheet and coil. Taking the aluminum ingot directly from our cast house, it removes oxides and roughnesses which may have been built up on the surface. It assures a clean, smooth ingot ready for the rolling mill. The first horizontal scalper in the country, it embodies many new design features to aid QSM in producing aluminum sheet and coil of the finest quality.



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Foreign Perspective

JULY 25-31

EAST-WEST tensions, together with the undisciplined (and seemingly irrational) behavior of newly emergent nations, are playing increasingly greater havoc with world markets.

• Turbulence in the Congo had reverberations as far away as Tokyo, where the price of electrolytic copper jumped \$40/ton to \$872.22 and electrolytic zinc \$14/ton to \$2,190.

• In London, there is considerable doubt that, for a while at least, Union Miniere du Haut Katanga will be able to live up to its promises to have its copper mines in the Congo back in full production in short order.

• In India, Standard Vacuum and Burma Shell cut crude oil prices 7.5% in an attempt to block Russia's newest Cold War offensive—the same gambit used by the Soviet Union in Cuba—that of selling crude at prices under the world market and for local currency.

• At the same time, the U.S.-Cuban spat, aggravated by the Communists, is pushing world sugar prices ever upward, touching off fears of impending shortages and strengthening moves toward a realignment of world quotas.

London—While adopting a wait-and-see attitude toward the crisis in the



"Our previous hose gave out after only 1200 to 1400 starts ...

Thermoid-Quaker Jet-Starter Hose good as new after 3500 starts"

says Mr. B. V. Darress, Maint. Supr. Pan American World Airways.

Jet-starter hose has to take unusual abuse: transmit hot air up to 500°F at up to 600 MPH under sub-zero conditions ... withstand dragging over abrasive surfaces. Yet it must be light-weight and flexible ... easy to handle and coil—and it can't kink, collapse, burst or flake off inside.

Thermoid-Quaker Jet-Starter Hose meets these strict specifications and has proved its worth with Pan American World Airways and the U. S. Air Force. According to Mr. B. V. Darress of PanAm, previous hose became unserviceable after only 1200 to 1400 starts. Thermoid-Quaker hose has already outlasted former hose by three to one and still looks like new!

Service like this is important to both commercial and military jet operations. In fact, this hose was developed for military use. "Dacron" cross-braid construction distributes the load evenly, prevents kinking; and the seamless silicone rubber tube and bonding layer resist heat and flaking. Yet the hose remains flexible in any kind of weather.

Get complete information, including Technical Data from your Thermoid Division industrial distributor, or write Thermoid Division, H. K. Porter Company, Inc., 200 Whitehead Road, Trenton 6, New Jersey.

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PORTER SERVES INDUSTRY with steel, rubber and friction products, asbestos textiles, high voltage electrical equipment, electrical wire and cable, wiring systems, motors, fans, blowers, specialty alloys, paints, refractories, tools, forgings and pipe fittings, roll formings and stampings, wire rope and strand.

Congo, businessmen and the government here are turning anxious eyes to the deteriorating balance of trade.

Britain's exports plunged sharply in June, prompting Prime Minister Harold Macmillan to call a meeting of 400 of the United Kingdom's top businessmen and industrialists for what amounted to a pep talk on foreign trade.

Macmillan appealed to exporters to try for higher sales abroad. And he urged other firms, particularly medium and small-size companies, to get into the export field.

London—Steel exports are a different story, however.

During the first five months of 1960, Britain was shipping out steel at an annual rate of 4.4-million ingot tons, largely as a result of strong demand for plates, heavy sections, and tinplate. If this rate continues, it will set a record.

At home, despite government credit restrictions, steel use and inventory buildup continue to rise.

And contrary to the situation in the U.S., where inventories are being pared to the bone, the pattern here appears unlikely to change, according to the Iron and Steel Board.

June production, although affected by the Whitsun vacation, averaged 466,400 tons a week, compared to 475,000 in May and 388,500 in April. Seasonally adjusted, however, the June output was the highest for any month this year.

New Delhi—Russian attempts to establish an oil beachhead in India, as the Soviet Union did in Cuba, are meeting stiff resistance from the major Western refiners.

As in Cuba, the Western firms bluntly refused to refine Soviet crude. Then they counter attacked with a cut in prices that came close to matching Russia's price, reported to be about 10% below the world market.

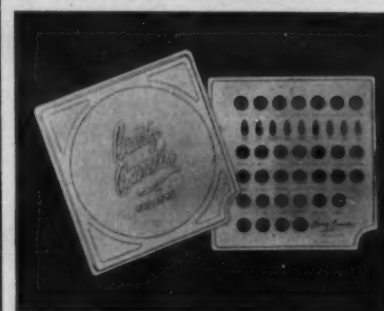
While India probably would never take as drastic action as Cuban Premier Fidel Castro did in seizing American and British refineries, Prime Minister Jawaharlal Nehru still is reported amenable to making some sort of deal for the Soviet crude, which can be paid for in rupees rather than dollars.

Tokyo—From Japan comes an echo to fears of an impending recession.

The Economic Planning Agency reversed its earlier stand and predicted that business probably would begin falling off sometime around October.

The agency based its prediction on softening wholesale prices (which have been declining fractionally almost every month this year) and the belief that business appeared to be on the verge of a plateau in its over-all growth pattern.

Meantime, proof positive of Japan's inroads into American markets came from the Ministry of International Trade and Industry, which announced that the nation's exports during the first half of this year hit a record peak of nearly \$1.8-billion, up 12.8% from the same period last year.



Purchase for Profit!

Campco Styrene

This effective make-up demonstrator is produced by Paper Package Co. of Indianapolis for Beauty Counselors, Inc. of Detroit. It is pressure-formed of Campco S-540 Styrene selected because of its sparkling, porcelain-like finish, excellent formability and resistance to cracking. The deeply embossed cover fits tightly over the container part on which names of the products are printed by silk-screen. This useful sales tool is just another example of purchasing for profit ... which means to specify:

CAMPCO Sheet and Film
division: Chicago Molded Products Corp.
2717-G Normandy Ave., Chicago 36, Ill.

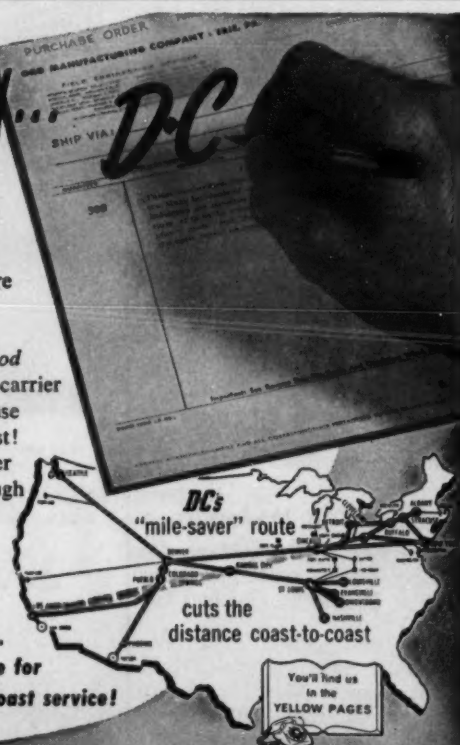
Specify...
...end your delivery problems!

Why? Because D-C takes the entire responsibility for delivering your order for parts, materials, or merchandise *on time and in good condition*. Only D-C can offer one-carrier responsibility coast-to-coast because only D-C goes direct coast-to-coast! One-carrier handling ... one-carrier control ... non-stop, straight-through service all the way on D-C equipment ... cuts 20% off running time ... assures you on-time delivery every time!

Specify the Dependable Carrier...
D-C... coast-to-coast choice for coast-to-coast service!



DENVER CHICAGO TRUCKING CO., INC.
the **ONLY** direct coast-to-coast carrier!



Foreign News in Brief

AA Ltd. Boosts Output

Sydney — Australian Aluminium Ltd. has completed plans for further expansion of its rolling mill and extrusion facilities here.

The \$5-million project, expected to be completed in 1963, will increase the company's annual rolling mill capacity of 4,500 long tons to 20,000 long tons, and will boost extrusion capacity from 7,300 long tons to 9,000 long tons a year.

European Sales Office

Amsterdam — Cleveland Twist Drill Co., of Cleveland, Ohio, will establish a European sales office and warehouse here. The new facility will complement the company's export offices in Scotland.

Build Acetic Acid Plant

London — Distillers Co., Ltd., has started construction of a new \$5.6-million acetic acid plant here.

The new facility, billed as the first in the world to manufacture acetic acid directly from mixed hydrocarbon feedstocks, is scheduled to go on stream by the end of 1961.

CNR Gets Green Light

Toronto — The Canadian Senate railway committee has unanimously approved a bill to permit Canadian National Railway to build a new \$43-million rail-freight yard here.

The publicly owned railway, which expects to complete the new yard within five years, attributed the need for the project to increased railway congestion in the area.

U.S. Subsidiary Set Up

Montreal — Canadian Aviation Electronics, Ltd., has established a new American subsidiary—the second this year—in Los Angeles.

The new firm, Calmont Industries, Inc., will concentrate on the production of electromechanical and energy corrosion devices, and also will conduct research and development in these fields.

Earlier this year, CAE set up another subsidiary, Oneida Electronics, Inc., in Utica, N. Y., following its successful bid for a U. S. Air Force contract to overhaul ground communications equipment.

The Utica operation, which started as a 50-man team, will have expanded to 200 by October.

To Add Newsprint Plant

Albani, B.C. — MacMillan, Bloedel, and Powell River Ltd. will add a \$24-million newsprint manufacturing facility to its plant here.

The proposed expansion, expected to be completed by 1963, will make the company Canada's third largest producer with an annual capacity of 90,000 tons.

Cameron to Expand

Edmonton, Alb. — Cameron Iron Works of Canada, Ltd. will expand its plant here to the tune of \$700,000 over the next year.

The new project will include

construction of a \$130,000 warehouse, repair, and testing facility, and a new plant wing for the production of oil and gas pipeline control equipment.

Iran Signs Pact

Bonn — A German-British consortium has signed an agreement with the Iranian government for the construction of an integrated steel works in North Persia.

The new project, with an annual capacity of 300,000 tons,

will get underway early next year and be completed in 1965. It also will involve construction of a town for 10,000 people and development of iron mines in the area. The consortium is headed by the German heavy construction firm Demag, AG. The other members are Krupp and Metallurgical Equipment Export Co., the British firm.

Firm Bags 2 Orders

Tokyo — One of Japan's largest

bearings manufacturers, Fujikoshi Steel Co., has clinched two orders totaling \$280,000 with General Electric Co. and General Dynamics Corp.

The company has also signed a contract to deliver \$140,000 worth of bearings/month to an unidentified West German company. Fujikoshi, which exported \$7.4-million of bearings in 1959, has set a \$10-million target for 1960.

Wildwood to Build

Edmonton, Alb. — Wildwood Pulp Products Ltd. will set up a \$700,000 pulp and pulpboard

mill on a 25,000-acre site west of here.

The mill is scheduled to go on stream by August, 1961, with a daily capacity of 25 tons of pulp. The company expects to use the pulp for making cardboard, building board, presswood, and other building and packaging materials.

Construction Started

Winnipeg, Man. — Kimberly-Clark Products Ltd. has started a \$200,000 expansion project to increase existing plant space here by 60%. When completed, the expansion will add 30,240 sq.ft. to the company facility.



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BLISS & LAUGHLIN Lusterized®
cold finished steel bars

You save so many ways when you specify Bliss & Laughlin's patented Lusterized® cold finished steel bars. Being bright and clean, free from processing grit, lime and oils, the surface of the bars can often be used as received. When such is the case, there's no need to purchase larger cross sections than required. Bliss & Laughlin's leadership in establishing close tolerance standards assures a uniformly dependable bar, shipment after shipment. And there's another important reason for insisting on Bliss & Laughlin Lusterized bars—they cost no more!

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AT NO EXTRA
COST

Leading
Independent
Producer of Cold
Finished Steel Bars

Truckers Expect ICC Decision Soon On Use of Collapsible Containers

New York — The Interstate Commerce Commission is expected to rule soon on whether truckers need special authority to haul liquids in collapsible rubber or plastic containers.

Some shippers, such as West Coast plywood glue manufacturers, have been able to cut rates 50% to 55% by using collapsible containers.

The use of flexible rubber containers has put flat bed truckers in competition with tank truck operators, who view the use of the "big bags" as an invasion of their market.

But shippers favor the flexible containers, as a way of eliminating the costs of "dead" runs, the non-profit return trips by empty tank trucks.

In the two years since flexible containers rolled onto the motor carrier scene, the ICC has not issued a clear-cut answer to the question of whether flatbed carriers have the authority to handle such containers.

The problem first came to the ICC's attention in 1958 when Western Express asked whether truckers needed special authority, in addition to a general commodity franchise, to transport liquids in rubber tanks.

Examiner Allen W. Hagerty ruled that Western Express could carry liquid commodities without additional rights, providing no special service was given and that ordinary over-the-road flat bed equipment was used.

Tank truckers asked for further hearings, but the result was a standoff. Hagerty reviewed his decision and held to the original ruling, but another ICC examiner, in hearing a different case, recommended that special rights be required of truckers carrying flexible containers.

Hagerty again reviewed his decision last December. This time, he ruled that Western Express

and other general commodity carriers had the authority to handle collapsible containers on regular trailer equipment only when contents amounted to less than 1,000 gal.

Since then, both truckers and container suppliers have asked for a clear-cut decision by the full commission. The ICC agreed, and said late last month it would issue its ruling soon. Trucking sources said they expected the decision "any day."



DEFLATED CONTAINERS, such as Van Tank (above), can be stowed easily in truck full of other cargo.



PUMPED FULL at destination, bag holds 2,750 gal., changes 'dead-head' return runs to profitable hauls.

Freight Forwarders Form Group to Aid Shippers and Carriers

Chicago—A new national association of freight forwarders has been set up to serve as an important liaison between the shipping industry and its customers.

Objectives of the National Freight Forwarder Association include:

- Provide a common meeting ground where independent shippers and shipper groups can meet with heads of the freight forwarding industry.

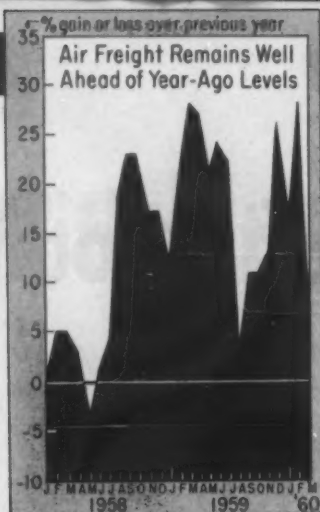
- Study ways to combat increasing costs, including simplification of such things as internal paperwork.

- Investigate problem areas of freight forwarding industry in order to compete with unregulated carriers.

- Cooperate with federal agencies to promote a more stable economic transportation system.

John Chambers, first president of the new group, and head of Clipper Carloading Co., Chicago told **PURCHASING WEEK**: "Perhaps our biggest reason for establishing this new association is to bring together shippers and freight forwarders for mutual consideration of their problems."





P/W TRANSPORTATION MEMOS

ATTENTION TO DETENTION: The ICC is being flooded with requests from both shippers and major motor carriers to straighten out "a confused mess" created by the way in which detention of vehicles is being handled. In brief:

Detention charges, known as demurrage, are assessed by many truckers when a shipper or receiver delays a vehicle. In this way the carrier not only recovers expenses due to delays but also encourages prompt loading and unloading. These charges are published in rate tariffs.

Shippers and carriers are complaining, however, that in the absence of rules covering all carriers, some truckers maintain no policy at all and others favor certain shippers over others.

Besides the unfair treatment and confusion involved in the detention situation, shippers charge that these conditions often result in higher transportation costs. The ICC promises a prompt answer to the requests.

DON'T AID AND ABET: The ICC, which until now has concentrated its enforcement over carriers it regulates, warns that it will prosecute wherever possible shippers who aid and abet truckers in violating the law. Particular reference has been made in the following situations:

- Unauthorized truck-leasing operations,
- "Buy and sell" methods where for-hire carriers use invoice devices to indicate ownership of goods,
- Tariff violations where rebates may be involved or non-adherence to published rates.
- Extension of credit beyond legal periods.

NEW LOOK IN PALLETS: A nail-less pallet, claimed as the most radical change in pallet design to date, is now being marketed by U.S. Pallet Corp., Kearney, N.J.

An "on edge" laminated construction in the pallet is said to stop load damage because there are no nails to loosen and no fasteners to protrude. The company insists that laminated construction is tougher than nails and that the pallets not only resist impact but will not split or buckle.

PHONEYS ON FLATCARS: Plan III Piggyback, which has proved such a boon to legitimate freight forwarders and shippers associations, also has opened the door to phoney shipper cooperatives, claims the Commerce and Industry Association of New York.

Alarmed over the emergence of the "phoney co-ops," the association has launched a study of the situation and its effects on for-hire carriage in the New York area. The group says it has support of both truckers and forwarders for corrective legislation.

GOVERNMENT BOOK-LETS: The U.S. Department of Commerce has just published two new books on recent transportation developments in the Air Force.

The first, "Development of Lightweight Aluminum Crates for Bulky Low Density Items" (Order PB 161364 from Office of Technical Services, U.S. Dept. of Commerce, Washington 25, D.C., \$1) describes a space-saving lightweight aluminum shipping crate.

Constructed of formed aluminum channels, the new crates, says the government, can withstand rough handling and can be re-used.

The other booklet, "Pressure-Sensitive Tape Suspension Systems for Aircraft Parts in Shipping Containers" (Order PB 161362, same address, \$1) is the second volume of an Air Force study on the use of pressure-sensitive tape.

WHISTLESTOPS: Southern Railway System will install a \$5.3-million, two-way radio system along its line between Washington and Atlanta, Ga. . . . Two shippers with constant inter-coastal carload movements of their products are discussing a pallet exchange agreement. One is a manufacturer of floor covering, the other a canned goods distributor. Each moves its goods in opposite cross-country directions. . . . Midwest motor carriers are again trying to recover unloading expenses they assume at Eastern port cities by trying to make shippers make their own unloading arrangements or pay fixed charges based on specific tariff rates.

His specialty is collision insurance

And making sure you don't collect on it.

With Thorne Kitchel there's precious little chance. The crash program he puts your containers through assures that the design and construction are adequate for your product before production begins.

Thorne heads up a team of seasoned "security analysts" at Union-Camp's packaging laboratory. In his 15 years as a corrugated box specialist, he has tested thousands of boxes designed to protect all kinds of products. He's also helped save thousands of damage-claim dollars for their owners in the process.

At the Union-Camp packaging proving ground, Thorne and his staff test new shipping containers for their ability to withstand almost any conceivable threat to product safety. Sudden rail-car stops and starts, for example. Punctures from sharp objects. Resistance to extremes of temperature. Accidental falls. Vibration. Or the extent to which a shipping container will protect your products under the crushing pressure of high stacking.

Even the components and materials that go into your box must run the gauntlet before they are used. They are tested

individually—then in relation to each other to determine the combination of properties that will insure maximum safety for your product . . . whatever it may be, wherever it may be shipped.

This comprehensive quality control program is just one part of Union-Camp's complete corrugated service available to all shippers. The service also includes box development and design—both construction and visual. It provides specifications control, art and merchandising counsel as well as a study of your packaging operation and many other features that can help you move and market your products more effectively, more economically. And it doesn't cost a penny extra.

Your Union-Camp man will be glad to give you full information. Case histories are on file that show what we have done for companies like yours. A note on your letterhead will bring a prompt reply.

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How the P.A. Can Make a Company's Profits Zoom



Consultant Hayes

"I'VE proven to top management that the purchasing department can bring in bigger profits for the company at less risk and investment than by increasing sales. These charts show you how I did it, and you can use the same method, too."

That unequivocal statement is made by F. Albert Hayes, PURCHASING WEEK consulting editor, former president of the NAPA, and a veteran of more than 40 years in industrial engineering and management capacities. Here is his story:

Imagine that you are a P.A. of a model company making one million units a year, selling them at \$1 each. Your president wants to increase profits to 14%; dollar profits to \$169,000.

To do this the sales department says it will need additional sales expense estimated at \$6,000 or 3% of additional sales.

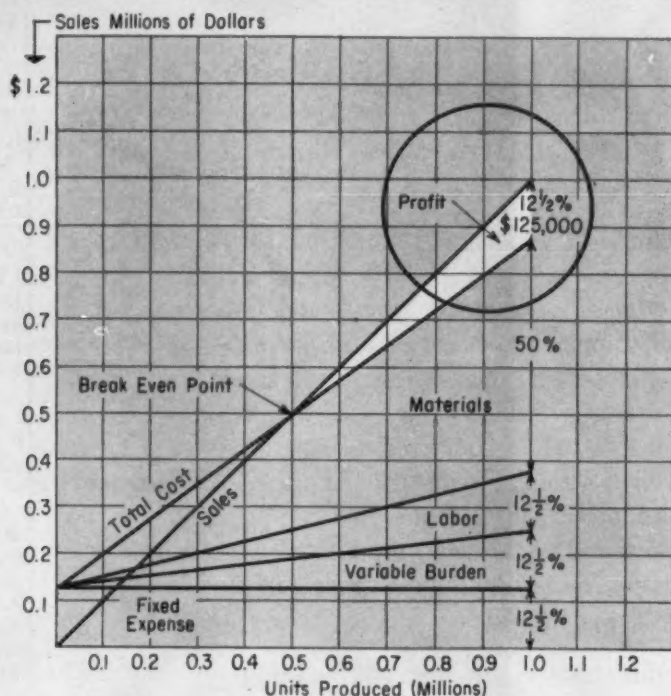
But you propose that Purchasing can boost profits by an equal amount, just by applying the same \$6,000 (probably even less) to a purchased material cost reduction program.

How? Take a look at the proof on the break-even charts below. It shows how your costs add up all along a range of output. You'll only have to cut your cost of materials 8.8% (see Step 3) to meet the profit goal.

The principle will work for any size company, division, or product line. With a big firm where sales promotion expense is very large (take 3% of \$10-million, for example) the purchasing profit

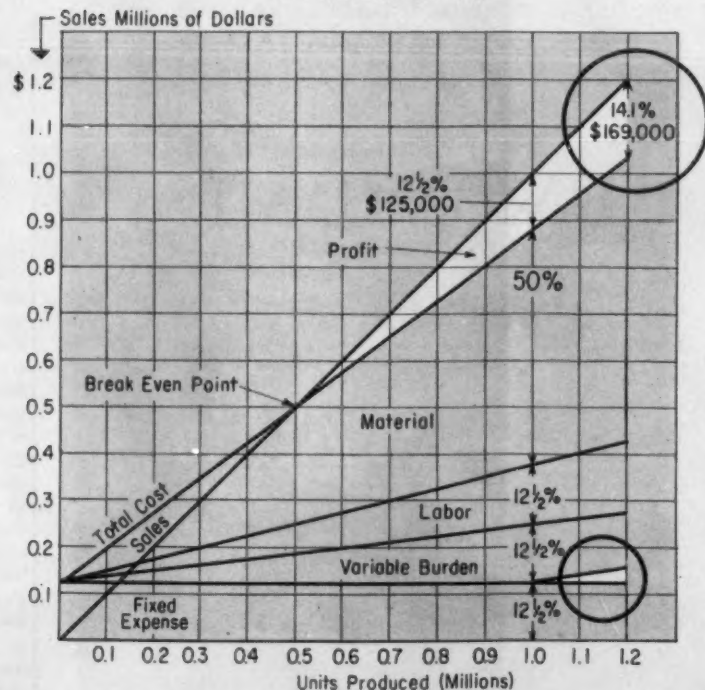
OLD WAY: Add to Selling Power

Step 1



The big circle spotlights your company's profit performance. The white area is the difference between sales and costs on the break-even chart. Right now you are at the \$1-million sales level, turning out one million units at \$1 each. That figures out to be 12.5% profit on sales, or \$125,000. You, as Vice President for Purchasing, now buy \$500,000 worth of materials, or, in other words, spend 50% of the sales dollar. This is a good average figure for most manufacturing companies. Of the other 50%, 3% goes toward sales expense (including advertising and commissions), 9.5% toward fixed burden, 12.5% toward variable labor, and the rest is profit.

Step 2



Now top management wants to move the profit spotlight up the line to \$1.2-million sales, and a hoped for profit of \$169,000 (14.1%). Your colleague, the Vice President for Sales says he'll need more money for sales promotion expense, advertising and salesmen's commissions to do the job. The small spotlight down below points out that this will be 3% of additional sales, or 3% of \$200,000. That's \$6,000.

But you realists in Purchasing know there are some big risks in this plan, such as meeting sales goals in the face of stiff competition, holding the \$1.00 price, keeping costs in line and avoiding overtime, new equipment expenditures and extra supervision and financing charges.

Without Risks That Accompany a Big Sales Push

leverage is even greater, because a cost reduction program won't begin to loom as large as a \$300,000 increase in marketing expense.

It's practically heretical for a sales-minded management to question that there's another road to profits than increased sales. But profit is the difference between income and outgo, and the size of outgo is even more important than income in figuring ultimate profit.

You see, a dollar saved on material cost is a dollar profit in management's pocket, but an extra sales dollar isn't—its only 10¢ profit or so because the cost of manufacturing and sales must come out of it.

A lot of smart P.A.'s have discovered this. Wm. T. Reynolds, director of purchases and traffic

for the Los Angeles Transit Authority, pointed it out at the 1960 NAPA Convention: "A saving of \$100,000 by . . . prudent purchasing is equal to the sales wizard's spectacular selling achievement of nearly three quarters of a million dollars . . . a seven-fold advantage by purchasing."

But if your management expects to get this benefit, it must pay the premium. Material cost savings aren't free, as management usually expects, but have to be backed up by the necessary well-trained buyers and the tools of purchasing management—such as value analysis, negotiation, market study, multiple source buying, and sound purchasing policy.

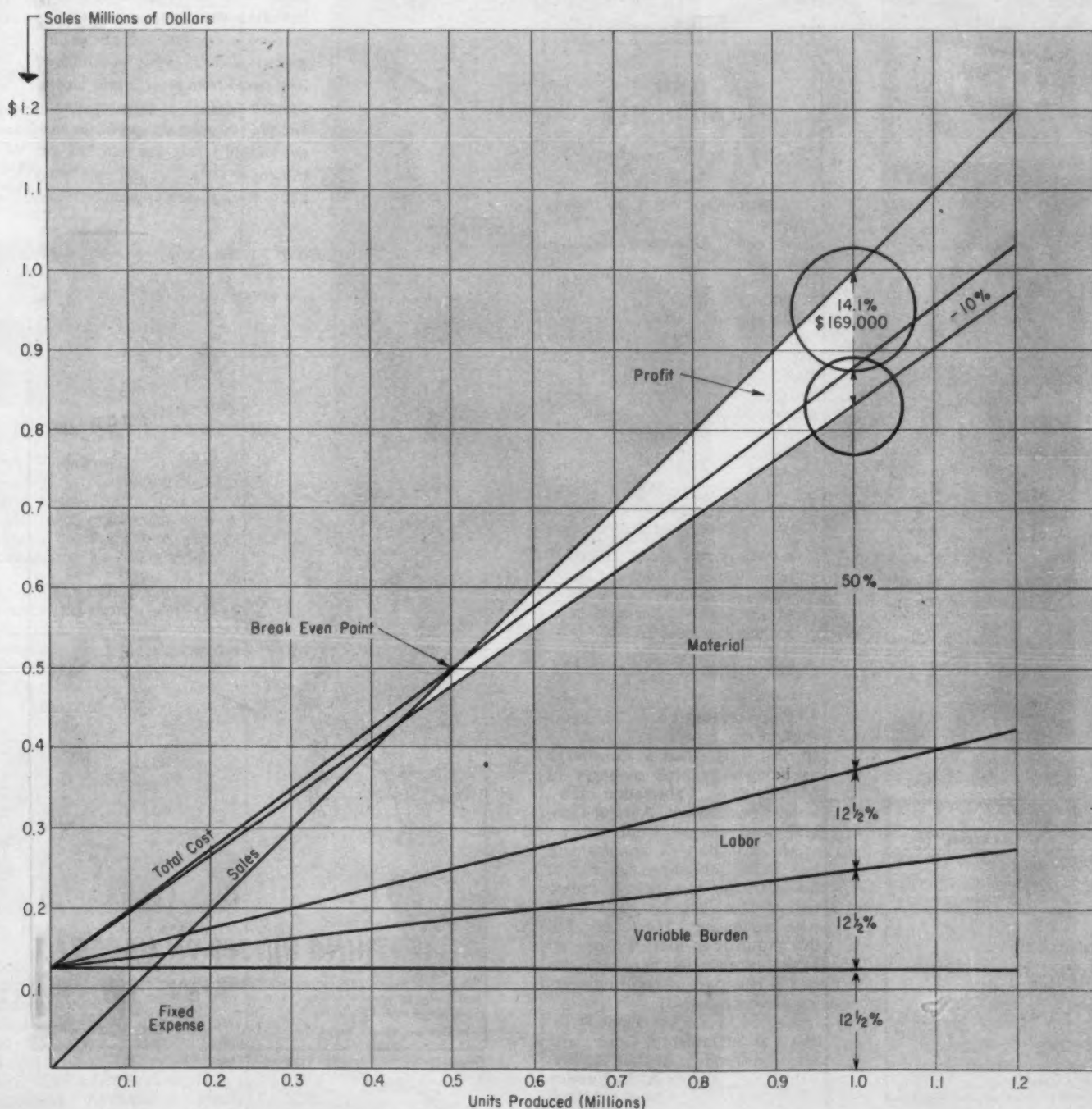
Usually management is willing to spend whatever is necessary to increase sales, but takes a

completely negative attitude toward any expense designed to reduce costs. The sales manager gets a blank check to add salesmen, use more advertising to attain a sales goal.

In these days of "business stability," of pared-to-the bone inventories, there's a lot of risk in trying to build profit solely through increased sales. Here's where management should let the purchasing manager have the necessary money to conduct cost reduction programs, instead of slashing his operating budget.

Unfortunately many managements think this is the only kind of cost reduction the P.A. can make. This move may actually increase the cost of materials, because the department won't even be able to do as good a job as it does at present.

BETTER WAY: Improve Purchasing Power



Purchasing can garner profit dollars as easily as sales, without the risks. Take the \$6,000 proposed for additional sales expense and put it into a comprehensive material cost reduction program. This will let you have your spotlighted profits of \$169,000 at present sales levels.

How much do you have to cut material costs? Look in the small spot, now focused on material costs, where a dollar saved is a 100% profit dollar. You'll have to recover the cost of your program (\$6,000 is 1.2% of \$500,000 material costs) plus an extra 8.8% (\$44,000) to increase present profits to a total of \$169,000. This opens up a whole new profit level all the way along the break-even chart (the new white profit area), no matter what level of production you may run.

If your firm has a material cost ratio of 40%, then the percentage cost reduction for the new profit goals is 11.0%; for 60% material cost it's 8.33%. However the principle is the same; why not use this way to figure out what you can achieve and challenge your management to give you a chance?

Profitable Reading for P. A.'s...

New Books

1960 Electronic Engineers Master. Published by Electronic Engineers Master, 60 Madison Ave., Hempstead, N. Y., 1,600 pages. Price: \$15.

An excellent reference source, this product directory lists more than 2,800 product headings to pinpoint every electronic need; 75,000 product-source listings are included.

Over 6,000 manufacturers are alphabetically listed with their addresses, telephone numbers, key personnel plus all local sales offices. Over 8,500 trade names are identified. Purchasing agents engaged in electronic research, design, development and production will find product comparison simple and rapid, due to the 52 product sections which group all similar items. A comprehensive

index quickly directs user to specific catalog information.

Executive's Guide to Business Procedures. Edited by Sidney Prerau. Published by McGraw-Hill Publishing Co., 330 W. 42nd St., New York 36, N. Y., 255 pages. Price: \$4.95.

Practical guide book serves as your constant reminder of the vital points to keep in mind for profitable and effective decision making.

This book enables you to check every step you should take in organizing and reorganizing a business—developing good public relations, planning office layout, financing and borrowing, designing an effective cost system and other essential business operations, plus suggestions for effective action and successful management techniques.

Particularly helpful is the wealth of pointers presented on today's tax laws.

From the Associations

American Standards Supplements

The 1959 supplements for the Book of ASTM Standards (published triennially) include the following ten volumes: ferrous metals specifications; nonferrous specifications; methods of testing metals; cement, concrete, mortars, road materials, waterproofing, soils; masonry products, ceramics, thermal insulation, acoustical materials, sandwich and building constructions, fire tests; wood paper, shipping containers, adhesives, cellulose, leather, casein; petroleum products, lubricants, tank measurement, engine tests; paint, naval stores, aromatic hydrocarbons, gaseous fuels, engine antifreezes; plastics, electrical insulation, rubber, carbon black; and textiles, soap, water, atmospheric analysis, wax polishes. The supplements can be obtained at \$4.00 per part or \$40.00 for the complete set of ten from the

American Society for Testing Materials, 1916 Race St., Philadelphia 3, Pa.

From the Manufacturers

Aircraft Cables

Gives information on aircraft cables, swaged cable terminals, aircraft tie rods and terminals, and cable assemblies. "A-4" (25 pages). *Public Relations Dept., Macwhyte Wire Rope Co., Kenosha, Wisc.*

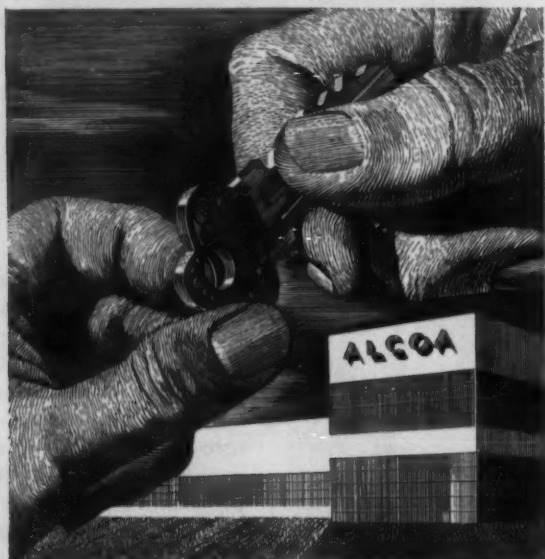
Industrial Footwear

Serves as guide for selection of

footwear for industrial needs. Features special section devoted to explanation of material and construction features. *B. F. Goodrich Footwear Co., Watertown, Mass.*

Aluminum Products

Contains federal specifications, analyses, mechanical properties, relative costs, etc. of aluminum alloys. Describes aluminum building products included roofing, siding, thresholds, sills, etc. Quick facts on aluminum coil, sheet, tubing, pipe, etc. are also presented. *Tech. Bulletin 30-1 (20 pages). Joseph T. Ryerson & Son, Inc., Box 8000-A, Chicago 80, Ill.*



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Follow-Up: Letters and Comments

'Emily Post' Booklet

Austin, Tex.

PURCHASING WEEK is one of the top trade magazines that we read regularly and circulate through our various divisions and purchasing staff.

The article in the May 23 issue, page 8, "Booklet Outlines 'Emily Post' Rules for Buyers and Sellers" attracted a lot of attention and has enlisted a request from our Purchasing Division for a copy.

Whom should I contact to obtain at least one copy of this booklet?

Wm. J. Burke
Executive Director
State Board of Control

• Write to the group's secretary: Warren R. Barton, Consolidated Vacuum Co., 1775 Mount Read St., Rochester 3, N. Y.

Appointment Clarified

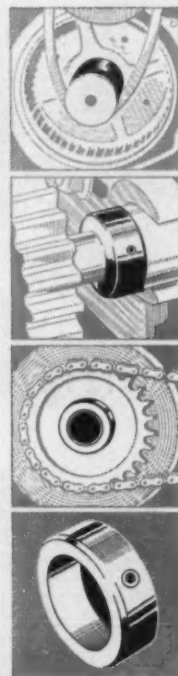
Azusa, Calif.

Your column "This Changing Purchasing Profession," June 13 (p. 28), lists Allen S. Ginsburgh as being appointed manager of Materials & Fabrication Div., Solid Rocket Plant, Aerojet-General Corp., Azusa, Calif.

Mr. Ginsburgh's appointment has been announced as noted; however, the Materials & Fabrication Div. has no connection with purchasing. The function of this group is to make proper selection of materials in our designs and it is a part of the Engineering Division.

The Solid Rocket Plant is located at Sacramento, Calif., and Mr. Ginsburgh is at that facility.

A. E. Lumley
Material Staff
Aerojet-General Corp.



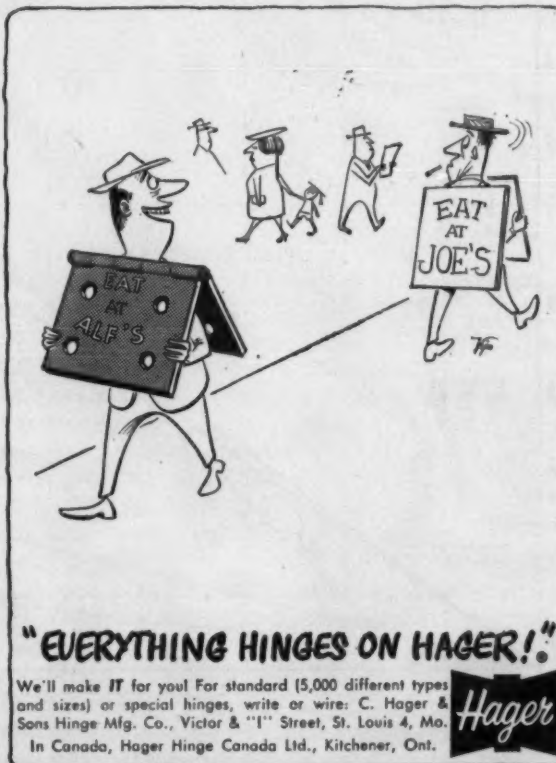
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This Changing Purchasing Profession...

Edward L. Field, purchasing executive, retired recently after more than 40 years' service with **Cushman Chuck Co.**, Hartford, Conn. A past president of the Hartford County Purchasing Agents Assn., he will continue to serve the firm in a consulting capacity. In 1939 Field combined his purchasing and account duties with those of office manager and in 1952 he was elected treasurer of the company.

Robert W. Stewart, immediate past president of the Purchasing Agents' Assn. of Oregon, has been transferred to Alcoa's Pittsburgh home offices from the Vancouver, Wash., works, where he was district purchasing agent.

S. E. Oberg succeeds **Robert J. Gartside**, who retired, as purchasing agent for **Measuregraph Co.**, St. Louis, Mo.

Percival M. MacLeod, manager of purchases, **Salada-Shirriff-Horsey's Salada-Junket Div.**, Woburn, Mass., retired recently after 41 years with the firm. **John W. Colpitts**, associate director of purchases, assumes MacLeod's former duties.

T. K. Davis, assistant western general purchasing agent for **Anaconda Co.**, Butte, Mont., has moved up to western general purchasing agent. He succeeds **Frank W. Switzer**, who retired after 43 years service.

Norman A. Dinnsen was advanced from purchasing agent to director of purchases, **Weston Instruments Div., Daystrom, Inc.**, Newark, N. J., and Poughkeepsie, N. Y.



T. K. DAVIS N. A. DINNSEN

Carl V. Schroeder has taken the post of purchasing agent with **Clayton Mark & Co.**, Evanston, Ill. He had been director of purchasing of brass products, **American Standard Co.**, Cincinnati.

H. R. Cockrell, a buyer in **Chemstrand Corp.**'s Acrilan acrylic fiber plant's purchasing department, has been transferred to **Chemstrand Research Center, Inc.**, Durham, N. C., as supervisor, purchasing and stores.



C. V. SCHROEDER H. R. COCKRELL

Robert C. Johannsen was advanced to purchasing agent in the mechanical and supply section, purchasing and traffic department, **Monsanto Chemical Co.**, St. Louis. **Gus C. Kamenko** succeeds him as a buyer at the firm's William G. Krummrich plant, Monsanto, Ill.



K. I. MODE (left) has been advanced to assistant director of purchases, **Lyon Metal Products, Inc.**, Aurora, Ill. T. R. Landgraf (right) was made a buyer.

Thomas A. Seppich was made purchasing agent for **Amalgamated Sugar Co.**, Ogden, Utah. He succeeds **W. A. Moore**, who retired after 41 years with the firm.

Donald J. Bryhan has been named chief of the procurement section of the **Michigan State highway department's** procurement division.

Robert Wier, III, was named assistant director of purchases for **Hercules Powder Co.**, Wilmington, Del. **Curtiss S. Mc-**

Cune was appointed division purchasing agent for the company's purchasing department with responsibility for the purchase of essential materials.

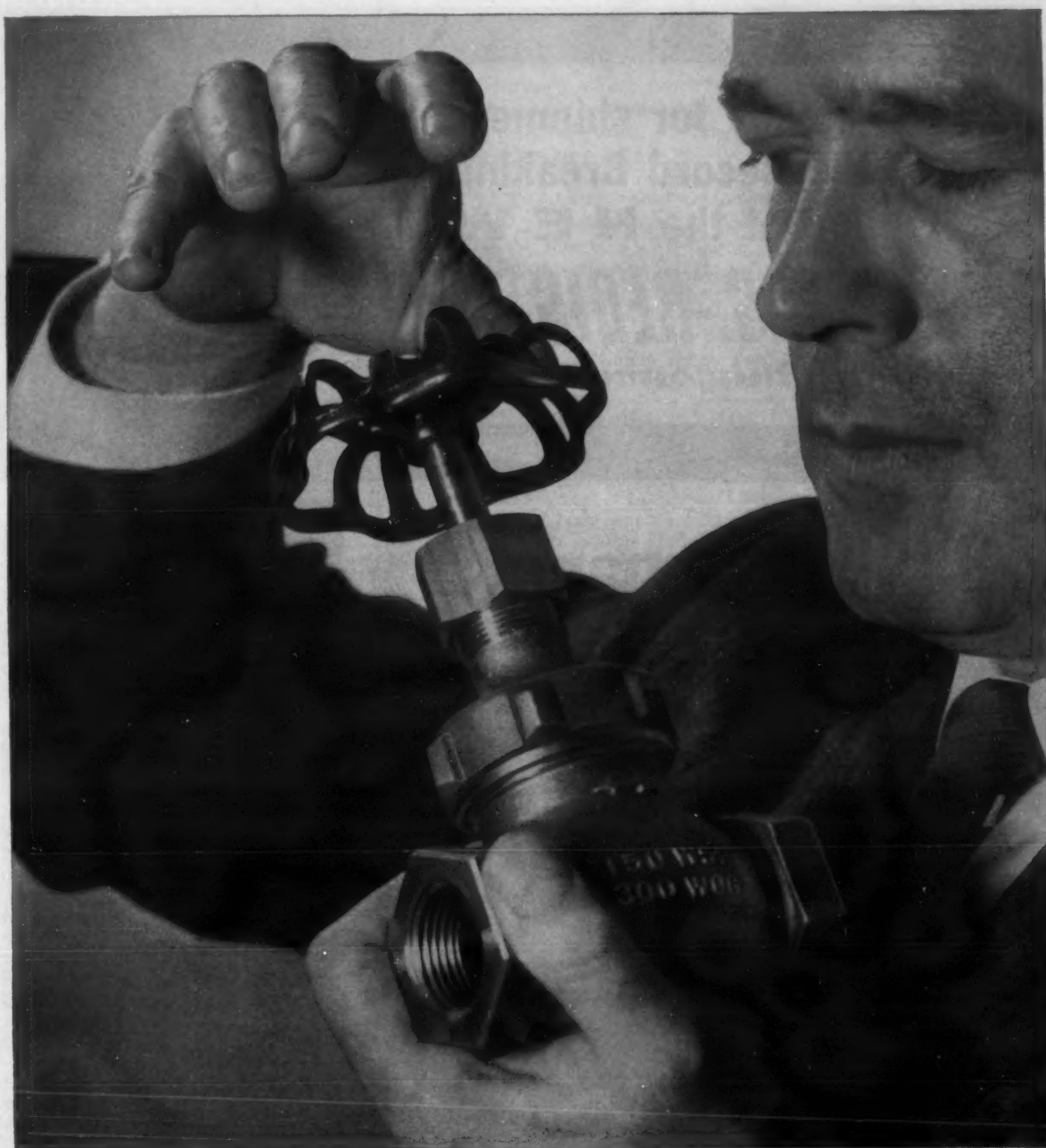


ROBERT WIER III C. S. MCCUNE

Charles Y. Gardiner joined **Ellis Hospital**, Schenectady, N. Y., as purchasing agent. He replaces **Richard Shutts** who recently became director of purchasing for **George F. Geisinger Memorial Hospital**, Danville, Pa.

Neal J. Crain has retired as vice president and director of purchases, **United Engineering & Foundry Co.**, Pittsburgh. **John C. Utzig** becomes director of purchases and **Thomas A. Kiley** succeeds him as purchasing agent.

(Continued on next page)



10073-V

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HEADING THE HAWAII ASSN. for 1960-61 are: (l-r) Henry T. Zerke, Alexander & Baldwin, Ltd., dir.; Ted Farm, Pacific Concrete & Rock Co., sec.; Alex Valentine, C. Brewer & Co., pres.; C. A. Cliff Dalen, Castle & Cooke, Inc., dir.; Det S. Ho, Honolulu Paper Co., treas.; Harry A. Givens, Hawaiian Dredging & Construction Co., Ltd., dir.; Hugh S. Diamond, Hawaiian Pineapple Co., v.p.; Ward Brown, Honolulu Gas Co., nat. dir.

This Changing Purchasing Profession . . .

(Continued from page 33)

Augustine J. Yonaitis has been made purchasing agent for **Kearfott Gyrodynamics Div., General Precision, Inc.**, Little Falls, N. J.

John H. Hanshue, manager of the purchased equipment department, **Lockheed's California Div.**, Burbank, Calif., become procurement division manager July 5.

Bradley S. Barker succeeds **A. T. Crutchfield**, who retires July 1, as purchasing agent for the **City of Durham, N. C.**

Allan W. Fox, purchasing agent for **Puget Sound Power & Light Co.**, Seattle, Wash., has been promoted to manager of purchases. He succeeds **Luther C. Melver**, who retired after 43 years in the electrical utility field. Melver is a former president of the Purchasing Agents' Association of Washington.

Robert W. Reneker, **Swift & Co.** director and vice president, has assumed supervision of the purchasing and transportation departments of the Chicago firm. He succeeds **E. A. Moss**, vice president, who retired after 40 years' service.



A. W. FOX R. W. RENEKER

Hugh F. Doherty, secretary of **Perini Corp.**, Boston, has been promoted to vice president and director of purchasing.

Elmer F. Schaefer has been assigned the new post of manager of purchases and stores following consolidation of the stores and purchasing departments of the **Pittsburgh & Lake Erie Railroad**, Pittsburgh. **Charles E. LeSuer** has been made assistant manager of purchases and stores.

Hing Yessian, a purchasing agent of **Stanley Works**, has returned to the firm's main office in New Britain, Conn., from **Stanley Building Specialties Div.**, North Miami, Fla., where he had been on assignment the past two years.



WILBUR R. FERGUSON (left) has been assigned the new post of director of purchases, **Barden Corp.**, Danbury, Conn. **Kenneth A. Taylor** (right), a buyer, succeeds him as purchasing agent.

William E. Conner has taken the post of director of purchasing with **Southern Methodist University**, Dallas. He had been a purchasing agent for **Chance Vought**, Dallas.

Virgil J. Sauer was elevated from assistant purchasing agent to purchasing agent, **Peavey Lumber Yards**, Minneapolis.

Obituaries

Charles H. Keyser, Sr., 54, purchasing agent at **Tinius Olsen Testing Machine Co.**, Willow Grove, Pa., died July 10.

B. Franklin Hires, purchasing agent for **Franklin Sugar Refining Co.**, Philadelphia, died July 9. He was 52.

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Buyers See Steel Boosting Production But Fear Price Rise Is in the Mill Too

(Continued from page 1)

months, the mills have been contending all along that their prices would at least remain firm and they were saying as far back as the steel strike that any rise in costs would eventually have to be passed along to the customer.

Those who will be doing the most buying also are the most pessimistic about prices, the survey shows.

The automotive industry, for example, expects to jack up buying tremendously as 1961 models go into production. And the price opinion here was that steel tags probably would go up \$2 to \$4 per ton, with sheet and bar stock jumping in list price and other raises covered by "extras."

Construction, electrical equipment, and machine tool firms all see increased steel buying ahead. So do warehouses and steel exporters. But container makers are less optimistic, and railroad and oil equipment makers are downright gloomy about their prospects.

Based on the survey results, here's how second half buying shapes up, industry by industry:

• **Automotive:** Pickup will be a little slow, but sooner or later substantial tonnages will be needed.

Industry plans are now predicated on a "good" fourth quarter and a "normal" 1961 model year. That in itself would give steel its hoped for 75% of capacity in late '60 and early '61.

Why then the slow pickup? Several Detroit spokesmen trace it directly to the fact that dealers now hold over 1-million unsold '60 models in their showrooms. While the industry is confident about unloading before 1961 models are ready, this car pileup understandably has auto people worried.

Another factor: Automakers know mills are loaded with finished steel products now—and that they can get almost immediate delivery whenever they want it.

But, as noted above, all this means a delay, not a cancellation, of steel purchasing throughout this key industry. And in some cases, the orders, when they come, will be pretty hefty. For example, Charles Senkbeil of Trailmobile (a big truck trailer manufacturer) expects to increase purchases by 25%—just to maintain normal inventory levels.

A lot of parts makers are equally optimistic. One big wheel maker, for example, sees his firm stepping up buying some 20% to 30% starting next month.

An axle maker is almost as bullish. Despite the fact that his company has been overstocked, he expects to up steel purchases 10% to 15% by December.

• **Warehouses:** While not a consuming industry, this buying source has to be considered in any evaluation of steel operating rates, because warehouses take a big 19% of mill output—and the figure is growing steadily.

Right now, warehouses are up to their ears in steel. The Steel Service Center Institute, for example, notes that its members' stocks now amount to 3.8-million tons—100,000 more than at the start of the steel strike last year.

But there's a note of optimism. Says a spokesman for one big Eastern warehouse, "the law of averages, a seasonal pickup, plus continued trend toward service center buying, is bound to help us out by September and October."

Vice President Manny Zelzer of Zellerbach Steel Co. of Dallas is more specific. He thinks a 10% to 15% increase is likely "beginning in August and reaching 15% by the end of the year."

• **Construction:** Demand in the third largest steel consuming industry is heading up. *Engineering News-Record* notes that total new heavy construction contracts were 9% above last year in the first 6 months of 1960. And it's these

heavy projects that eat up steel.

If the construction boom materializes, it also could affect steel consumption via higher sales of steel-consuming construction equipment.

In general, there's a note of optimism in the construction equipment industry. A recent McGraw-Hill survey of manufacturers, for example, showed that they expected fourth quarter 1960 orders to top '59 by about 11%.

With this in mind, one big Midwestern company expects to boost metal purchases by 25% come the fourth quarter.

• **Electrical Equipment:** Here's another area where substantial steel ordering may be in the making. So far this year, new orders have been running about 7% above 1959 in the industry, and backlogs in general are above year-ago levels.

One big manufacturer, who makes appliances as well as heavy industrial equipment, feels that most divisions in his firm will be stepping up ordering to meet normal fall production needs.

Smaller appliance firms also will be in the market. One Chicago-based company notes that fall is usually their biggest production season. As such they anticipate a 10% steel buying boost starting in September.

A. G. Ruediger, director of purchases, Carrier Corp., and chairman of the NAPA Steel Committee, is even more optimistic. He told PW that his firm would be raising steel purchases 25%-30% by the end of the third quarter.

• **Containers:** Can firms are going a bit slow in issuing third quarter releases for plate that mills have produced and stored for them.

One reason is the cool weather this summer which has delayed the maturing of fruit and vegetable crops. To the extent this is true, deliveries should pick up smartly over the next few weeks.

Despite current lull, plate mills are far from hurting. They're operating far and above the 50% rate of the whole steel industry. And widely heralded competition from aluminum cans hasn't made any important inroads as yet.

• **Railroad Equipment:** Here's an industry that will be bucking the uptrend. Sluggish pace of incoming orders precludes any upturn in steel buying.

Ordering of freight cars, for example, is running at about half the 1959 pace. Result: Industry freight car backlogs at last report amounted to only 36,106 units—18% below beginning-of-year figures.

With this outlook, firms are in no hurry to stock up on steel. In fact, not one of the big companies surveyed by PURCHASING WEEK indicated any buying pickup in the months ahead. One big Midwestern engine manufacturer is actually scheduling a 20% cutback—unless the incoming order rate perks up a bit.

• **Machine Tools:** Despite current lag in new orders, a majority of machine tool-makers queried in the PW survey said they expected to increase steel buying over the next few months.

Much of this could be due to expected steel price increases; every firm anticipating a buying step-up said it expected a boost in prices by year-end.

Seasonal requirements and need to refill depleted inventories also were noted as reasons for increased ordering. In some instances, the pickup will be substantial. One big Pennsylvania firm, for example, anticipates a 25% boost in buying by October.

• **Oil Field Equipment:** Firms in this hard-hit industry don't expect any buying pickup. With 1960 drilling activity down, orders have been far from satisfactory. Result: Shipment of tubular products have been running only at 8% to 10% of steel total, compared to a traditional 12%.

One big Houston based firm doubts

This Week's

Purchasing Perspective

JULY 25-31

(Continued from page 1)

More significant is the increasing interest in purchasing policy manuals—one of the big points in the Air Materiel Command's renewed emphasis on getting contractors and subs to sharpen their purchasing procedures.

BY PRICE ALONE—Along with the complaint that some firms are paying too little attention to pricing comes one with a reverse twist. It is the charge that industrial buyers are letting the \$ sign interfere with value analysis.

Price conspiracy indictments in the electrical equipment industry fostered considerable disillusionment with pricing procedures. The head of one electrical equipment firm, commenting on the plight of his colleagues, termed value analysis an "ivory tower" technique and said that "in the market place, the equipment has been reduced to a commodity . . . leaving price as the only basis of purchase."

Other electrical equipment manufacturers, troubled by the price uncertainty of their industry, also have voiced belief that utility buyers have tended to buy solely on the basis of price expediency, giving prices a downhill shove.

A similar complaint came recently from another corner, industrial distributors, who discussed the problem of "destructive price bidding." Too many P.A.'s think only in terms of price, a top distributor association told PW.

Most purchasing men will deny all specifications of the indictment. But if the shoe fits, take it to a V.A.—the value analysis enthusiasts will fix you up.

BUYERS GUIDE—Steel consumption is estimated at a rate comparable to 70% of production capacity although mills are operating at only a 50% clip. But because of general business sluggishness, steelmakers expect only a gradual order pickup as autumn nears (see story p. 1). . . . Boeing Airplane Co.—in a pitch to sell its big jetliners—is about to stump the country with film and commentary on the merits of air freight shipment. . . . Look for new procedures in handling your requests for samples. Chemical Week reports many firms are revamping sample programs to cut costs that for some firms run as high as \$250,000 per year.

that mills making tubular steel will reach 75% of capacity this fall. Another Houston firm sees domestic mills "operating at around 65% of capacity for tubular stuff."

• **Steel Exports:** Here is another market for U.S. producers that is showing in-

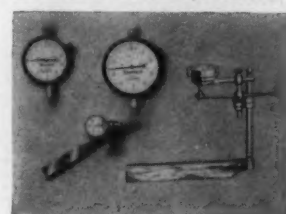
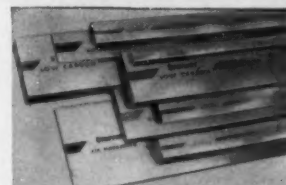
creasing signs of perking up. Overseas shipments in May hit highest point in almost 2½ years.

Steelmen now confidently predict 3-million tons export figure for the year as a whole. That's more than twice last year's 1.3-million tons.



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Air Force Pushes Suppliers to Improve Buying

(Continued from page 1)
remedy: Let purchasing and pricing policies be set and supervised at corporate headquarters level—especially in firms where decentralized management has allowed individual plants to run their own pricing operations.

The AMC chief's strongly worded report was triggered, Washington sources said, by findings of a special team of AMC procurement officers who inspected contract techniques of seven prime and subcontractors. Air Force procurement officials are hopeful that most or all of the discrepancies they see in contractor procurement will be corrected through recommendations to be made shortly by joint industry-Air Force groups that have been studying specific contractor procurement problems since last October.

The Air Force has been increasingly touchy over conduct of its multi-billion-dollar procurement operations as a result of long-continuing Congressional and General Accounting Office criticism. Reacting to these barbs, the Air Force for the past year has been conducting a concerted drive to tighten its control over contractor cost estimates. But despite such efforts, the GAO—Congress' financial watchdog—Illinois Sen. Paul Douglas, and other Congressional leaders have been turning out headline-catching reports on excessive costs in Air Force and other military contracts.

Meanwhile, AMC sent out an inspection team to determine how contractors have been adhering to revised contract pricing regulations that were set last December to provide for tighter supervision of cost estimates.

The results, Anderson's letter indicates, were none too encouraging; and the team's conclusion was: "Much more remains to be accomplished in (contractor) purchasing and pricing procedures." This was based on findings that:

- In four plants, firms were charging "unrealistic overhead costs" to the Air Force. Three other plants were making "inflated material estimates."

- Three plants had no established estimating system to audit subcontractor costs, and two companies refused to submit cost breakdowns to justify their estimates.

- Only one firm submitted price exhibits and none, Anderson said, considered unit cost reduction benefits from large-scale production runs.

The sticky issue of contract pricing was first presented to principal Air Force contractors and key trade association officials at a Wright-Patterson AFB symposium here last October. Six joint working groups were formed then to study the key areas where contracting improvement was most needed—subcontract documentation, make-or-buy policy, secondary administration, source selection, acceptable pricing, and auditing.

Reports of some of these working groups have been completed and all will make final recommendations to a central steering committee meeting at Wright-Patterson next month.

The recommendations are likely to be adopted as Air Force policy and will be publicized by the three cooperating trade groups—Aerospace Industries, Electronic Industries, and the National Security Industrial Associations.

Procurement officials at W-P AFB told PURCHASING WEEK that individual companies also will define and publish their own policies to guide their purchasing departments. A joint report to Congress also will be made.

AMC officials also emphasized that a number of individual companies already had adopted policy changes and realigned some of their procurement responsibilities to meet Air Force needs.

Late News in Brief

Copper Forecast: Steady

New York—Custom smelter buying prices for scrap copper racked up another 1/2¢/lb. advance last week bringing the new price for No. 2 wire scrap to 25 1/2¢/lb., equivalent to about 31¢/lb. for the refined metal. Industry spokesmen attributed the rise to the Congo crisis but remained firm in forecasts that domestic prices will hold steady at the 33¢/lb. level.

No Worries in Sugar

Washington—Government spokesmen tried to reassure domestic sugar buyers last week that no domestic shortages are in sight. Agriculture Dept. officials, who were drawing up new import allocations to make up the tonnage lost from Cuba's former quota, played down the impact of the new allotments, tried to ward off fears that Mexican and Dominican sugar would be allowed to disrupt U. S. markets.

Rail Mergers Move Ahead

Washington—The Interstate Commerce Commission opened full hearings last week on the proposed merger of the Erie Railroad and the Delaware, Lackawanna & Western Railroad. A decision is expected in September. Meanwhile, the Baltimore and Ohio Railroad came out in favor of a three-way merger with the Chesapeake & Ohio Railway and the New York Central Railroad last week.

Refrigerator Prices Down

Chicago—Frigidaire division of General Motors Corp. last week trimmed prices by 5% to 12% on its entire 17-model line of refrigerators.

The move, which resulted in price cuts as high as \$40 on the dealer level, followed similar reductions by General Electric Co., which lowered prices of four key models \$10 to \$30 ten days ago. The cuts reflect mounting factory inventories reportedly equal to 3 1/2 months supply and a 4.2% drop in sales over the first six months of 1960.

Protest Oil Import Restrictions

Washington—New England officials are protesting to the Interior Dept. that the government's program restricting oil imports has brought a price increase in the cost of residual fuel oil.

Price Hike on Tubular Brass Products Appears on the Verge of Snowballing

Chicago—Manufacturers of tubular plumbing brass goods gave strong support last week to Sterling Faucet Co.'s decision to raise prices 5% to 17%.

Other producers would not commit themselves immediately on whether they would follow with similar price increases but they cheered it. A spokesman for one of the country's biggest producers of industrial plumbing goods said that prices in general will stabilize if the tubular brass increase takes hold.

Sterling, biggest independent producer in the industry, said its increases, effective Aug. 8, will apply to its entire line of waste traps and tubular goods for connecting sinks to sewers.

The West Virginia firm attributed the move to higher labor and other operating costs and an attempt to end a steady deterioration of prices in the industry.

Sterling general sales manager Richard A. Peterman said, "Our price increases merely restore some of the losses we've suffered over the last 12 months."

Meanwhile, other companies welcomed the Sterling move as a possible end to a long period of "profitless prosperity," which has already seen one of the industry's oldest firms, Scoville Manufacturing Co., close down its tubular brass goods operation.

In Chicago, Crane Co. said it was "happy to see someone attempt to raise market standards. This is an opportune time for an increase in tubular brass products because it will help to stabilize prices. Crane is confident that other manufacturers will follow Sterling."

Several other big plumbing supply producers also indicated they might follow Sterling.

Railroads' Novel Piggyback Plan IV Gets Another ICC Vote of Approval

(Continued from page 1)
expected to be installed by other railroads.

The plan has become popular with freight forwarders and shippers because of the significant lower shipping rates involved.

In other freight rate actions affecting purchasing-traffic planning, proposed reductions in rail freight shipments of tinplate from the Pittsburgh area to St. Louis and points between have run into waterways opposition.

The action puts the Interstate Commerce Commission face-to-face with an almost immediate decision on whether to undertake an important test case on the whole issue of selective rate cutting by railroads.

The tinplate rate protest came last week atop other ICC deadlines for rulings on whether to allow lower rates for sugar carried from New Orleans to Chicago and phosphate rock from Florida to Southwestern points by rail.

Coming in quick succession, the three cases involve far more than just isolated protests of lowered rates. Together, they

represent a broad new challenge to the widening use of selective rate cuts by railroads and are the latest maneuver in a long battle over selective rate cuts waged in Congress and before the ICC by truckers and water shippers since passage of the Railroad Relief Act in 1958.

That act contains a controversial section which is at the heart of the current dispute. It states: "Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation."

Since 1958, while truckers and barge operators grumbled on the sidelines, the ICC has authorized new rate and transport arrangements for railroads such as volume rates, agreed rate charges, and piggybacking. But the issue that has struck real fear into the trucks and barge operators is selective rates.

In the last two years, the Commission has allowed—but without taking a direct stand on the controversial section in the law—a wide range of selective cuts on items ranging from agricultural goods to mineral products.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Gasoline, N. J., Pa., Sun & Atlantic, retail, gal. ....	.01	.289 & .299	seasonal
So. Ill., East Mo., Standard, retail, gal. ....	.01	.224 & .264	seasonal
N. Y., New Eng. Mobil, dlr. tnkwgn., gal. ....	.007-.01	....	seasonal
Fuel oil, #2, Mid-Cont. refiners, gal. ....	.005	.0875	low inventories
Tubular plumbing brass goods, Sterling Faucet.	5-17%	....	incr. costs
Gum rosin, N. Y., K. M., cts., cwt. ....	.50	\$14.90	strong demand
N. cts., cwt. ....	.50	\$15.00	strong demand
WG, cts., cwt. ....	.50	\$15.10	strong demand
WW, cts., cwt. ....	.50	\$15.25	strong demand
White towels, Pacific Mills Domestic, Aug. 31, to linen suppliers.	3%	....	incr. costs
Tin salts, Potassium stannate, lb. ....	.004	.793	metal hikes
Sodium stannate, lb. ....	.004	.652	metal hikes
Tin crystals, anhyd., lb. ....	.007	\$1.02	metal hikes
Gasoline, Conn., Sun, retail, gal. ....	.01	....	seasonal
REDUCTIONS			
Nylon mill shapes, Polymer Corp.	up to 15%	....	molding powder
Gallium arsenide tunnel diodes, 2 models, G.E.	\$51.50 & \$79.00	\$4.50 & \$6.00	large vol. prod.
Mercury lamps, G.E.	8%	....	prod. econs.
Casoin, Arg., carlots, lb. ....	.0025	.2075	quiet demand
Gum turpentine, So., gal. ....	.011	.465	quiet demand
Copra, Coast, ton.	\$10.00	\$172.50	....
Refrigerators, Frigidaire, GE, dlr. prices.	\$6.00-\$40.00	....	excess inventories

Protectionists Prime Biggest Guns For Fight Against Tariff Reductions

(Continued from page 1)
proposes to offer the product list at the next Geneva meeting of the General Agreement on Tariffs and Trade (GATT), cites figures showing import prices are holding generally steady and in some instances are rising (see PW, July 4, '60, p. 1).

Opponents of the reductions, on the other hand, contend that foreign products of increasing numbers and varieties are being imported at cheaper and cheaper prices, often matching domestic products in quality and beating them almost invariably in price.

Over 300 Argue

More than 300 U.S. producers, manufacturers and trade associations will argue along those lines from now through Sept. 9. Their claims will be denied and rebutted with equal ardor by about 100 importers and consumers of foreign goods.

The debate was brought on as part of the sixth post-war round of international trade negotiations under GATT—the biggest since the first in 1947 and the most hotly contested ever.

The Tariff Commission has the job of finding the specific import duty below which domestic producers are threatened with injury on each of the 2,500 items. The next task is to see what items should be removed from, or added to, this list. A list also will be drawn up of products on which U.S. negotiators will try to get lower foreign restrictions against U.S. exports at the GATT sessions in Geneva next January.

Chemical Firms Complain

Chemical and drug industry representatives had their say first. This group, particularly makers of coal tar dyes, intermediates, and pharmaceuticals, claims it is hardest hit of all by the proposed tariff cuts, for special reasons applicable to their industry.

But the plea they made will be repeated again and again by producers of textiles, iron and steel mill products, machine tools, electronic equipment, nonferrous metals and minerals, and numerous other products. These industries are fighting hardest for more rather than less, import re-

striction in the most concerted protectionist drive in years.

Anywhere from one-fifth to four times more various foreign coal tar chemical and drugs are available on the U.S. market today than five years ago, industry spokesmen testified. They are being sold hard by five big Western European and a couple of Japanese producers at anywhere from 10% to 50% below the domestic price of comparable U.S.-made products.

Nylon Fabricators Relay Wholesale Price Cuts

(Continued from page 1)
ditional 6¢ off on quantity purchases.

A check of leading fabricators revealed that most nylon stock and custom suppliers were preparing to pass along the benefits of their lowered resin costs by Aug. 15 at the latest. Many have already altered their list prices.

Polymer Corp., Reading, Pa., was the first. Typical of the reductions, said Robert E. Barthold, sales manager, was that of 1/4-in. plate (10 in. wide), chopped from \$9.79 to \$8.40 for 100 ft.

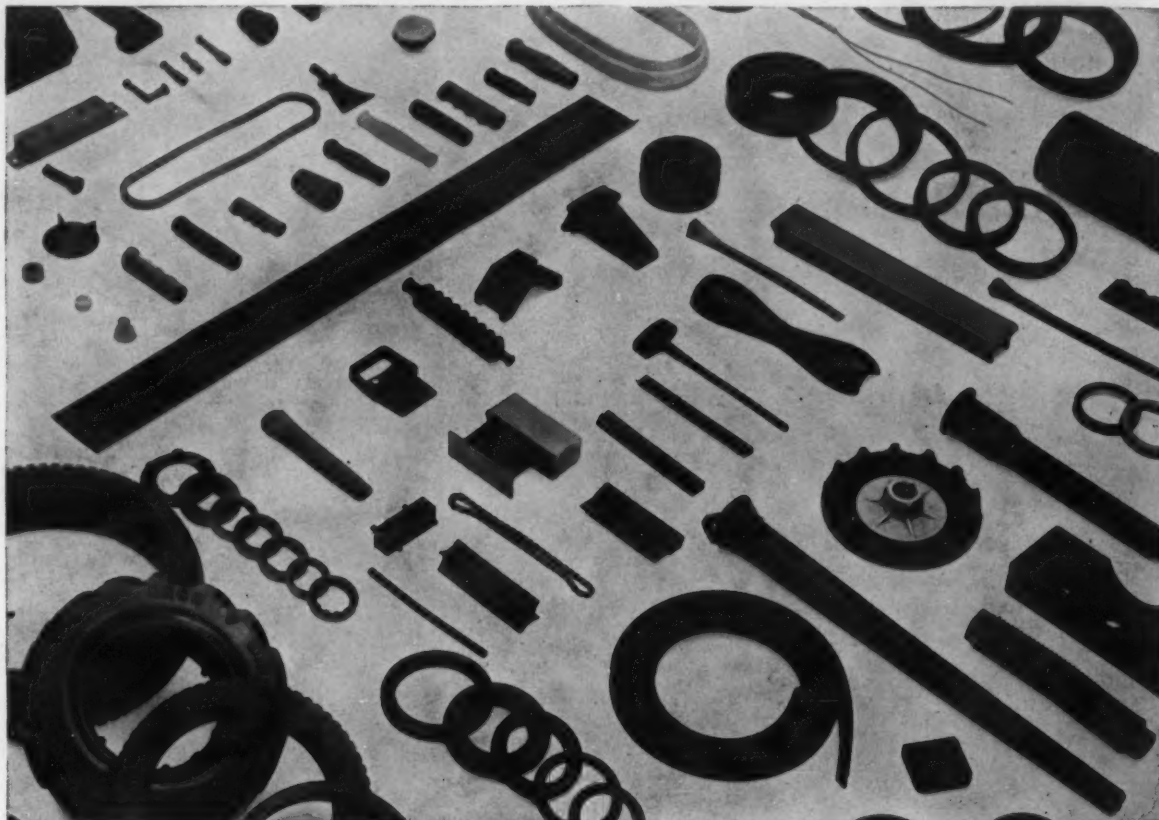
He said Polymer had also cut 1/8-in. pressure tubing from \$11.16 to \$10.04 for 100 ft. and 1 1/2-in. rod from \$2.40 to \$2.17 for 50 ft.

In Detroit, another major producer of nylon stock forms, Cadillac Plastics & Chemical Co., told PURCHASING WEEK it had not made any formal cut in its price lists as yet, but that a change was being discussed.

"I feel sure there will be a reduction effective Aug. 15," said Glayden Fox, sales manager. He indicated it would be an across-

the-board cut of 10% to 15%. Chicago Molded Products Co. cut prices 5% to 7%. Anthony Czarniecki, sales manager, said his company also was reviewing old cost estimates for nylon work based on new resin prices, in order to make the former "high cost" item attractive to new customers.

Nyloncraft Inc., another major fabricator in Mishawaka, Ind., reported it had dropped prices of its entire product line 5% to 6% in response to new raw material costs.



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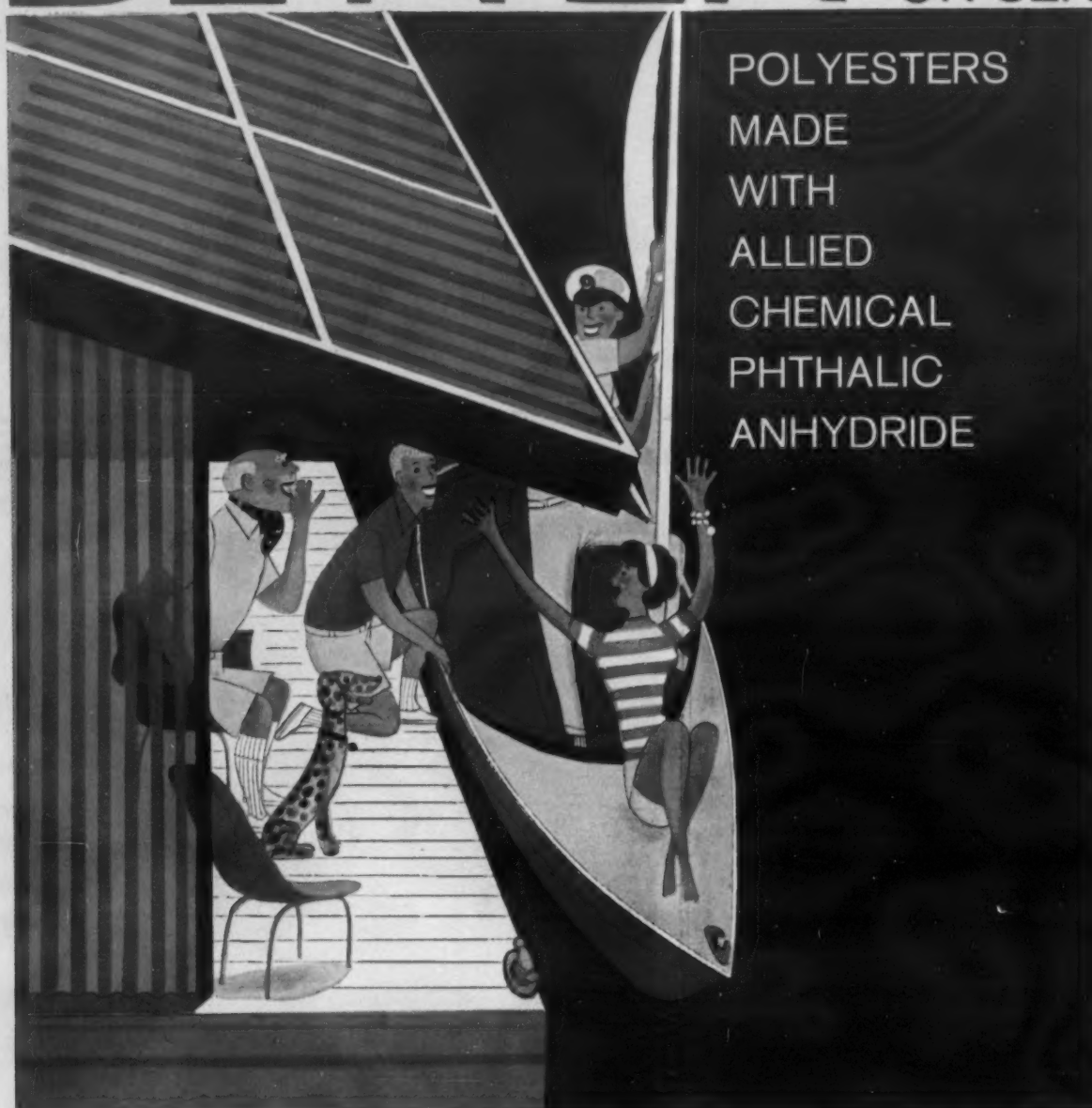
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